

Munich, 10 November 2020

IR CONFERENCE CALL – INTERIM STATEMENT 9M 2020

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TRATON
GROUP



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The percentage figures shown may be subject to rounding differences. Due to different proportions and scaling in graphs, data shown in different graphs are not comparable.

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- Current Situation
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TRANSACTION OVERVIEW

NAVISTAR AT A GLANCE

- No 4 in US market for trucks; long history since 1831
- Revenue of USD11.25 bn and adjusted EBIT of USD689 mn in fiscal year 2019¹
- More than 1,200 dealers

ACQUISITION RATIONALE

- Access more than 75% of global truck market profit pools
- Deliver on Global Champion Strategy
- Leverage powertrain components across brands to generate significant cost savings over years to come
- Achieve a well-balanced and global footprint with complimentary geographies

STRUCTURE

- Cash acquisition of 83.3% of outstanding Navistar common shares
- Transaction structured as one step merger
- The two major Navistar shareholders² supportive of transaction

VALUE

- Equity purchase price of USD3.7 bn based on USD44.50 per share

FINANCING

- Fully committed transaction financing by Volkswagen AG
- Transaction envisaged to be refinanced via capital markets
- TRATON committed to maintaining an investment grade rating

TIMING

- Closing expected mid 2021 subject to regulatory approvals and customary closing conditions

¹ Adjusted EBIT: Calculated as adjusted EBITDA - depreciation and amortization; FY 2019 as of Oct. 31, 2019. ² Other major Navistar shareholders include Carl C. Icahn (and several companies he controls), with a 16.9% stake, and Mark H. Rachesky (and several companies he controls), with a 16.4% stake.

STRATEGIC ALLIANCE FOCUSED ON TECHNOLOGY COOPERATION AND PROCUREMENT JOINT VENTURE, INCREMENTAL SYNERGY POTENTIAL

Almost four years of partnership



Strategic Partnership and purchase of 16.6%¹ stake in Navistar announced in September 2016

¹ Current stake amounts to 16.7%.

Objectives



Access to North American Market – cooperation and equity stake allow TRATON GROUP to capture a share of North American profit pool



Procurement Joint Venture – fully operational procurement joint venture to pursue joint global sourcing opportunities



Technology Cooperation: Future Technologies – cooperation in many aspects of future commercial vehicle development



Technology Cooperation: Joint Powertrain – common powertrain systems give Navistar access to excellent powertrain technologies and allow TRATON GROUP to benefit from higher volumes

ACQUISITION RATIONALE: CREATION OF A GLOBAL CHAMPION

Access more than 75% of global truck market profit pools

Deliver on Global Champion Strategy

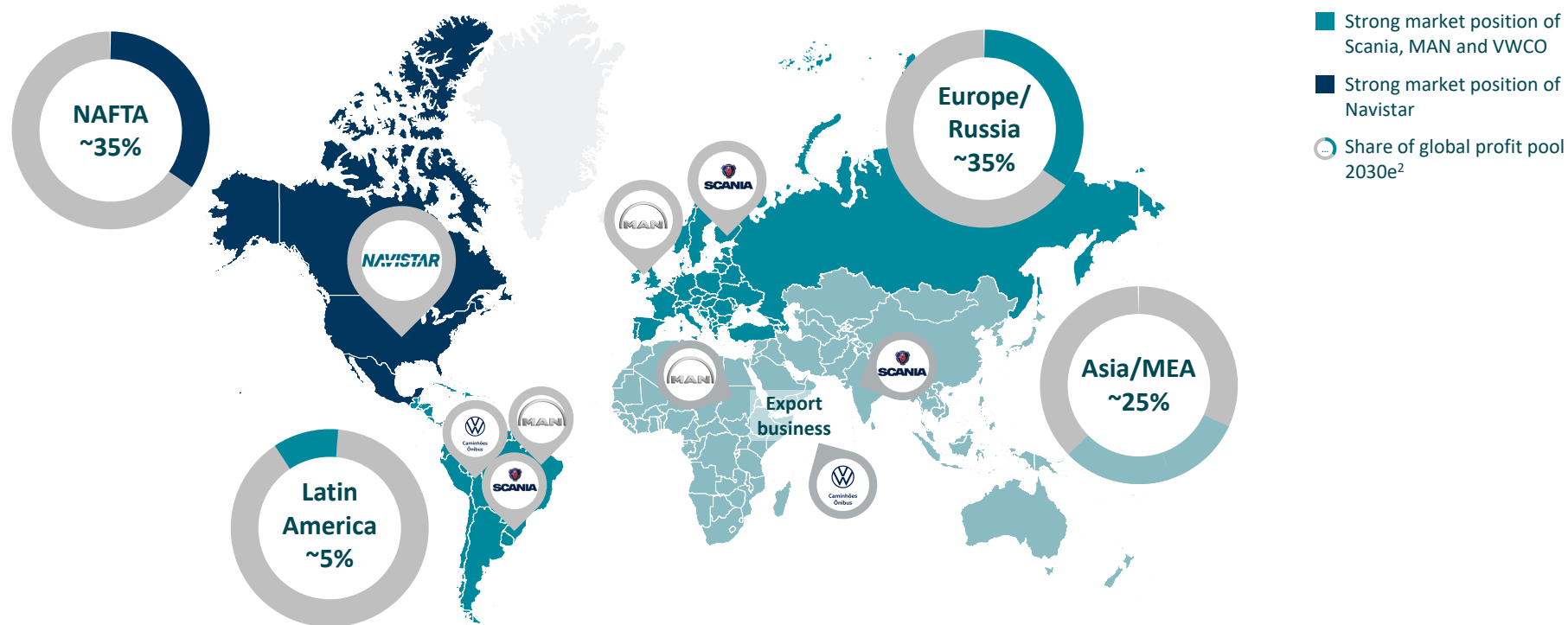
Leverage powertrain components across brands to generate significant cost savings over years to come

Achieve a well-balanced and global footprint with complimentary geographies



ACCESS MORE THAN 75% OF GLOBAL TRUCK MARKET PROFIT POOLS¹

Access to attractive North American market



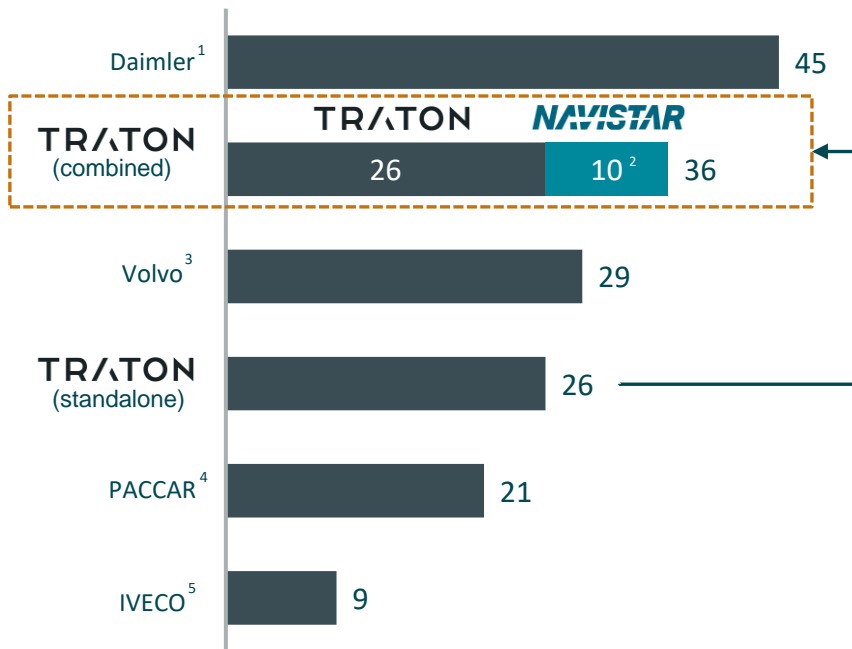
Source: McKinsey & Company.

¹ Global profit pool 2030: ~€17 bn. ² Profit pool of truck industry > 6t (2030e).

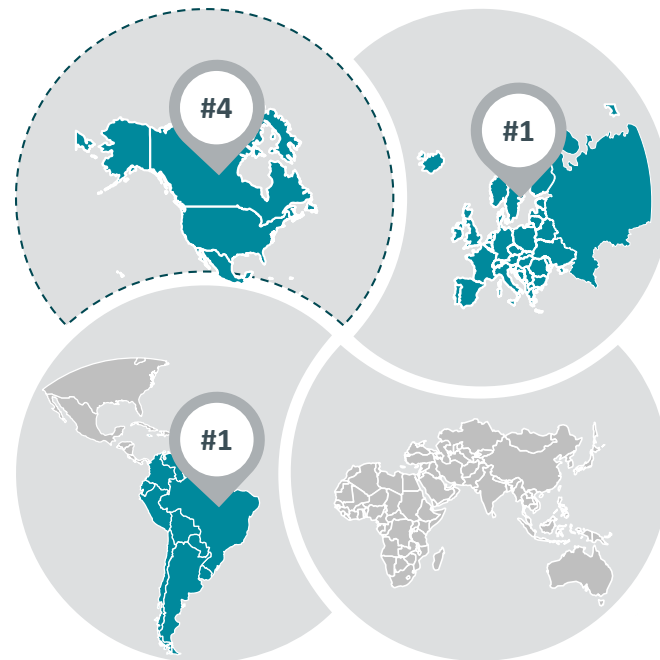
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DELIVER ON GLOBAL CHAMPION STRATEGY

Industrial Business sales revenue (fiscal year, €bn)



Combined ranking per region (sales in units)

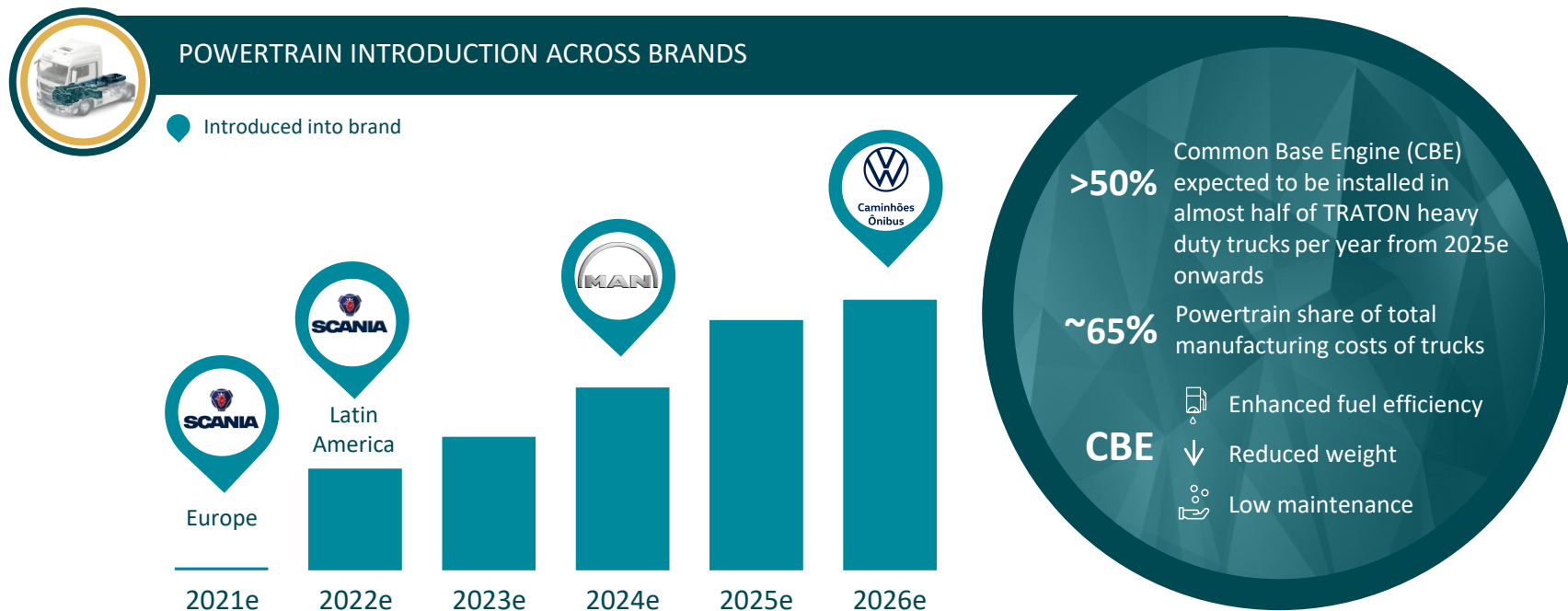


Source: Company information, own calculations. Note: FX €/USD of 1.17; €/SEK of 10.51.

1 Trucks and Buses. 2 Includes Truck and Parts as per Navistar Form 10K, October 31, 2019. 3 Trucks and Buses. 4 Trucks, Parts and Other. 5 Commercial and Specialty vehicles segment of CNH Industrial.

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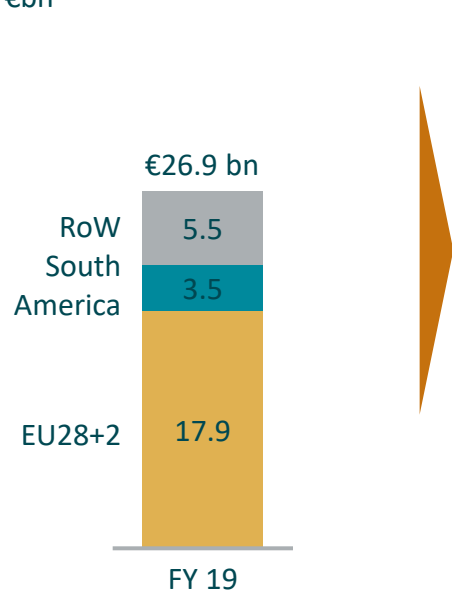
LEVERAGE POWERTRAIN COMPONENTS ACROSS BRANDS TO GENERATE SIGNIFICANT COST SAVINGS OVER YEARS TO COME



ACHIEVE A WELL-BALANCED AND GLOBAL FOOTPRINT WITH COMPLIMENTARY GEOGRAPHIES

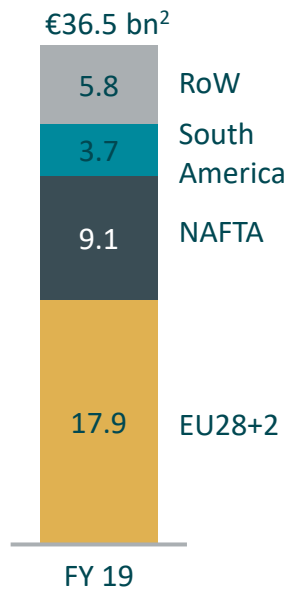
TRATON GROUP stand-alone sales revenue by geography¹

€bn

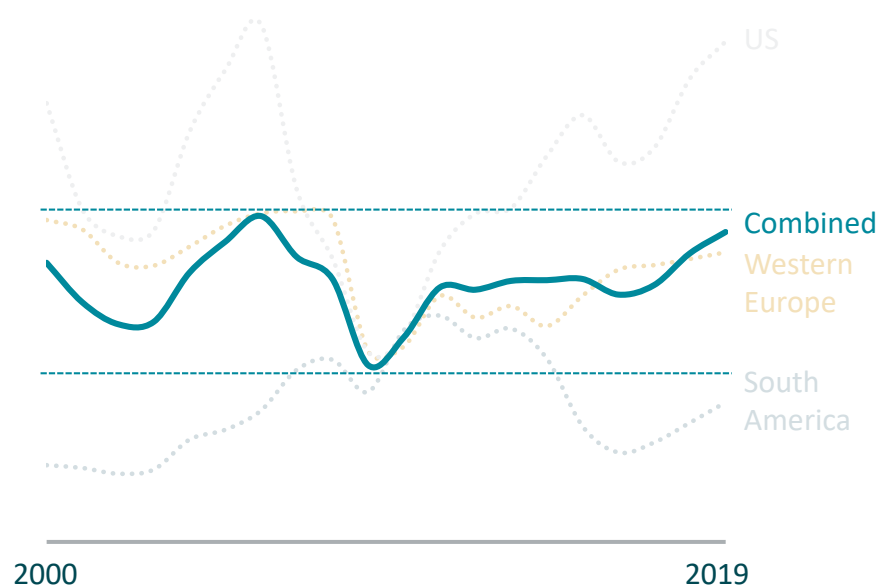


Combined sales revenue based on 2019 by geography¹

€bn



Truck unit sales (> 6t)³, in units



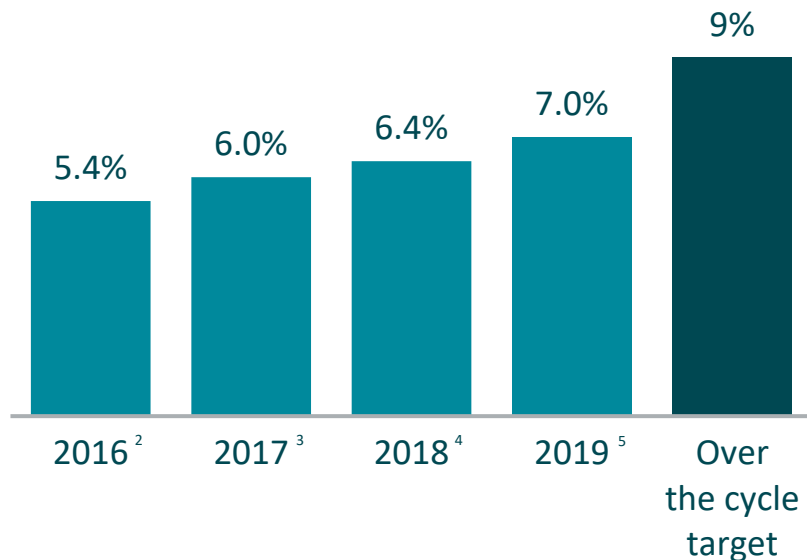
Source: Navistar Form 10K, October 31, 2019; TRATON Annual Report, December 31, 2019. Note: Figures are financially rounded.

¹ Last fiscal year. ² FX €/USD of 1.17. ³ Own calculations and estimates.

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TRATON CONTINUES TO TARGET A 9% RETURN ON SALES OVER THE CYCLE

TRATON GROUP adjusted RoS¹



Key levers to achieve 9% over the cycle margin

- Improve brand performance
- Well-positioned with new truck generations
- Key powertrain package introduced across all brands
- Realize additional procurement synergies
- Focus on after sales growth

Note: Based on reported financial year figures. TRATON including Financial Services.

¹ Calculated as the ratio of adj. operating profit to sales revenue. Adj. operating profit includes PPA (from Scania and VWCO) and consolidation effects (MAN T&B – VWCO). VGSG operations (sold as of January 2019) included from 2016 to 2018. ² Including €403 mn adjustment for provision in relation to Scania antitrust fine and €58 mn adjustment for restructuring expense at VWCO. ³ Including (€50 mn) adjustment for release of restructuring provision at MAN T&B. ⁴ Including €137 mn adjustment for expense in relation to Indian market exit at MAN T&B. ⁵ Including adjustment of (€13 mn) from the reversal of a restructuring provision at VWCO.

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TRATON CONTINUES TO DELIVER ON ITS GLOBAL CHAMPION STRATEGY WITH THE ACQUISITION OF NAVISTAR

Collaboration among brands in Volkswagen T&B fully on track



Successful creation and implementation of strategic alliance partnerships



Successful IPO



Entry to North American market



Established E-Mobility joint venture



Next:
INTEGRATION

STATUS AND NEXT STEPS

- Signing and announcement of merger agreement on November 7, 2020
- Navistar shareholder approval expected in Q1 2021 (50% + required)
- Regulatory approvals expected in H1 2021
- Closing expected mid 2021
- De-listing of Navistar shortly after closing



CURRENT SITUATION – BUSINESS CLIMATE



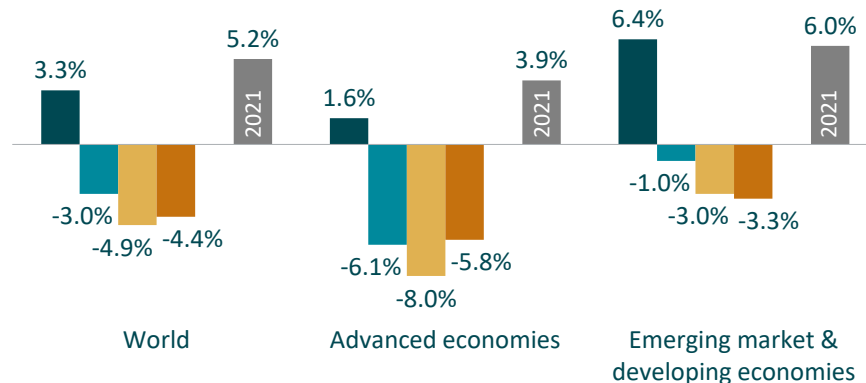
An **unprecedented situation** because of the COVID-19 pandemic impact

- Significant decline in demand and supply chain disruptions especially at the end of the first and beginning of the second quarter 2020
- Substantial part of production capacities closed or idled mainly end of March and April
- Gradual restart of production and positive trend of business development since May
- Companies focusing on cost reduction and on liquidity



Global **growth** for 2020¹ is projected to **collapse**, even if less than last expected; clear **recovery** of economic activities expected in **2021**

GDP forecasts for 2020 ■ Jan 20 ■ Apr 20 ■ Jun 20 ■ Oct 20



Commercial vehicle **market forecasts**² 2020 **lowered sharply**, although expectations were already quite low:

- For EU27+3 region most institutes foresee a decline of the truck market (MDT/HDT) between -30% to -35%
- For Brazil institutes foresee a decline of the truck market (MDT/HDT) between -10% to -20%

CURRENT SITUATION – TRATON GROUP HIGHLIGHTS



9M
2020

- Incoming orders decreased by -14% to 145,933 units
- Unit sales declined by -29% to 127,660 units
- Sales revenue decreased by -21% to €15,740 mn
- Adjusted operating profit down to €-9 mn, adjusted RoS -0.1%
- Net cash flow Industrial Business at €-148 mn¹
- Net financial debt Industrial Business at €-727 mn²



2020

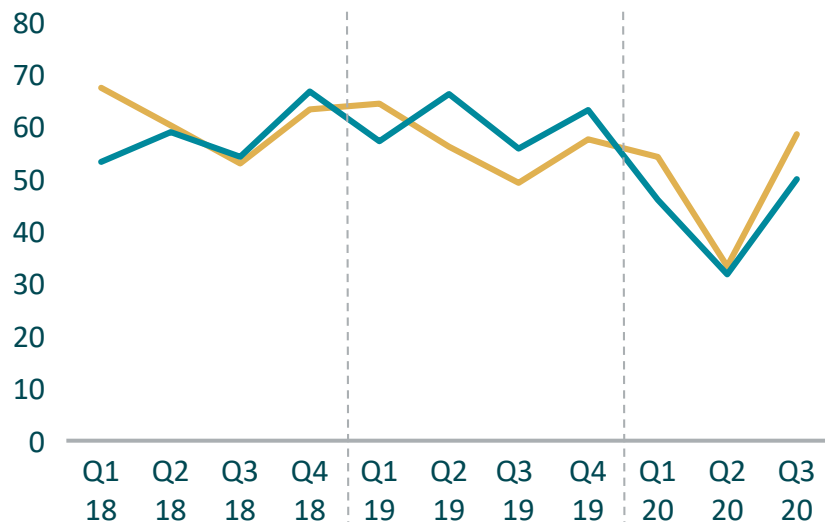
- New MAN Truck Generation introduced
- Scania plans to globally reduce its workforce
- First-time solid investment grade ratings assigned to TRATON SE by Moody's and Standard & Poor's
- Debut syndicated revolving credit facility signed by TRATON SE
- MAN Truck & Bus heading towards a fundamental realignment
- TRATON and TuSimple agreed on global partnership for autonomous trucks
- TRATON and Hino start E-Mobility Joint Venture
- TRATON reached definitive agreement to acquire Navistar



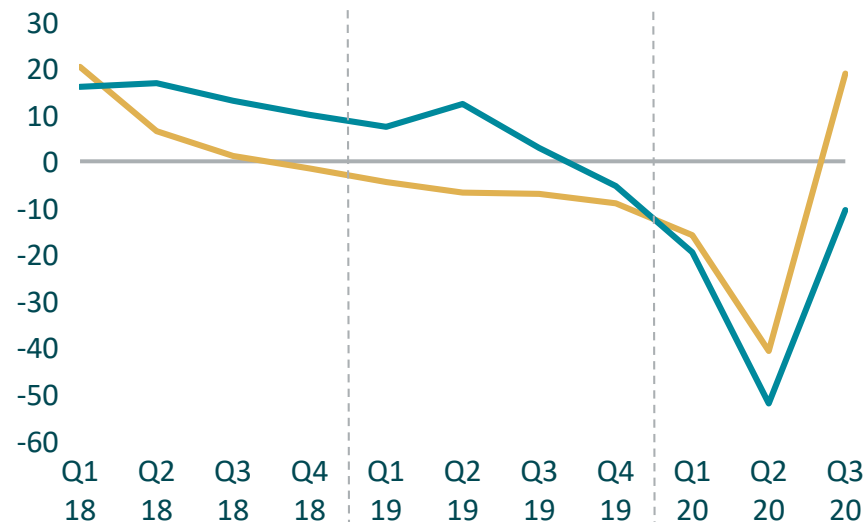
¹ 9M 2019 reported net cash flow of €2,323 mn, adjusted of €345 mn before the sale of Power Engineering (€1,978 mn). ² Net debt as of September 30, 2020 amounted to €-727 mn, mainly due to the net cash outflow of €-1.4 bn resulting primarily from the end of the domination and profit and loss transfer agreement (DPLTA) with Volkswagen AG for the fiscal year 2019. Note: Delta 9M 2020 vs. 9M 2019.

CURRENT SITUATION – POSITIVE TREND ESTABLISHED SINCE MAY

INCOMING ORDERS & UNIT SALES ('000 units)



INCOMING ORDERS & UNIT SALES (YoY change, %)



- Vehicle utilization in most regions especially in the long-haulage truck business with positive development.
- Market recovery evident, even faster than expected. Strong incoming orders in Q3 2020.
- Book-to-bill ratios above 1x for Industrial Business throughout Q3 2020.

CURRENT SITUATION – Q3 2020 HIGHLIGHTS



Noticeable market recovery, though business activities still significantly impacted by the COVID-19 pandemic



Incoming orders: +19% YoY



Adjusted return on sales: 3.7%

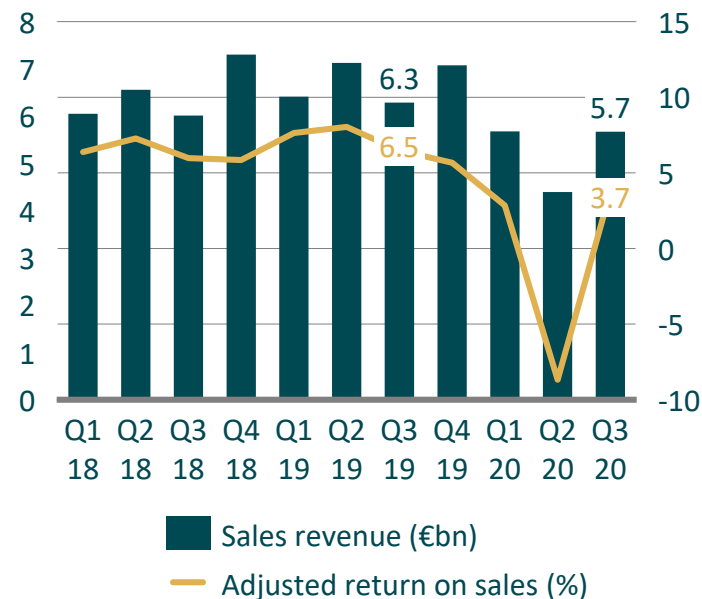


Capex and primary R&D: clearly reduced YoY (-23%/-25%)



Net cash flow in Industrial Business: €199 mn

Sales revenue & adjusted return on sales



CURRENT SITUATION – Q3 2020 BRANDS DEVELOPMENT



	Q3 2020	Q3 2019	+/-
Trucks and buses (units)			
Incoming orders	25,934	17,792	46%
Unit sales	17,298	23,196	-25%
of which trucks ¹	15,788	21,001	-25%
of which buses	1,510	2,195	-31%

Financial KPIs (€ million)

Sales revenue	2,825	3,312	-15%
Operating profit	198	380	-183
Operating profit (adjusted)	247	380	-133
Operating RoS (in %)	7.0	11.5	-4.5 pp
Operating RoS (adjusted) (in %)	8.7	11.5	-2.7 pp

- Lower unit sales and negative currency effects
- Favorable product mix and cost savings



	Q3 2020	Q3 2019	+/-
Incoming orders	21,553	20,834	3%
Unit sales	21,881	22,482	-3%
of which trucks ¹	20,635	20,757	-1%
of which buses	1,246	1,725	-28%

Sales revenue	2,487	2,467	1%
Operating profit	-27	32	-58
Operating profit (adjusted)	-27	32	-58
Operating RoS (in %)	-1.1	1.3	-2.4 pp
Operating RoS (adjusted) (in %)	-1.1	1.3	-2.4 pp

- Negative unit sales and used business development
- Lower fixed costs


 Caminhões
 Ônibus

	Q3 2020	Q3 2019	+/-
Incoming orders	11,112	11,091	0%
Unit sales	10,885	11,167	-3%
of which trucks ¹	9,021	9,496	-5%
of which buses	1,864	1,671	12%

Sales revenue	319	468	-32%
Operating profit	5	12	-7
Operating profit (adjusted)	5	12	-7
Operating RoS (in %)	1.5	2.5	-1.0 pp
Operating RoS (adjusted) (in %)	1.5	2.5	-1.0 pp

- Lower unit sales and negative currency effects
- Improved product positioning

¹ MAN includes MAN TGE vans.

CURRENT SITUATION – FINANCIAL RESILIENCE

SOUND BALANCE SHEET POSITION

(Industrial Business; as of September 30, 2020)

- Equity ratio: solidly at 36%
- Gearing¹: currently at only -6%
- Net debt/adjusted EBITDA²: at -0.5x after the end of the DPLTA with Volkswagen AG, €-1.4 bn were transferred in February 2020

SOUND LIQUIDITY POSITION

(Industrial Business; as of September 30, 2020)

- Strict cash and cost management
- Cash and cash equivalents of €2.1 bn
- Undrawn credit lines totaling €7.7 bn
- TRATON put in place its debut syndicated revolving credit facility with a volume of €3.75 bn in Q3 2020
- Reprioritizing of our capital expenditures and our research and development projects

Note: Net debt as of September 30, 2020 amounted to €-727 mn, mainly due to the net cash outflow of €-1.4 bn resulting primarily from the end of the domination and profit and loss transfer agreement (DPLTA) with Volkswagen AG for the fiscal year 2019.

1 For Industrial Business: calculated as net liquidity/net financial debt divided by book value of equity. 2 For Industrial Business: calculated as net liquidity/net financial debt divided by last twelve month adjusted EBITDA (actual quarter + last 3 quarters).

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CURRENT SITUATION – MAN COMPREHENSIVE REALIGNMENT



- » **Management** had **presented plans** for a extensive restructuring and comprehensive realignment to employee representatives.
- » **Necessary** to make MAN Truck & Bus significantly **more digital, automated**, and **profitable** in the long run. In the future, the **focus** will also be on **alternative drive systems**.
- » **Aim:** achieve an operating return on sales (RoS) of **8%** in **2023**.
- » Planned package of **measures** intended to **improve operating result** by around **€1.8 billion**.
- » **Negotiations** have **formally begun** and shall be **successfully** closed by the **end of the year 2020**.

CURRENT SITUATION – TRATON AND HINO START E-MOBILITY JOINT VENTURE



- » **TRATON** and **Hino** have signed a **joint venture agreement for e-mobility** in order to plan and provide e-mobility products based on the strategic partnership started in 2018.
- » This follows the **procurement joint venture** established in 2019.
- » Developing of **electric vehicles including battery electric vehicles (BEV), fuel cell vehicles (FCV),** and **relevant components** as well as creating **common EV platforms**.
- » Team up to **shorten lead times** for future e-mobility products with **battery** and **fuel cell technology**.

CURRENT SITUATION – TRATON STATUS UPDATE

		FY 2018	FY 2019	2020 Outlook	Over the cycle RoS target
Unit sales <i>(Units; Growth in %)</i>	➤	233.0 k +14%	242.2 k +4%	Sharp decline	
Group sales revenue <i>(in €bn; Growth in %)</i>	➤	€25.9 bn +6%	€26.9 bn +4%	Substantial decline	
Group return on sales <i>(in %; Operating profit in €bn)¹</i>	➤	5.8% €1.5 bn	7.0% €1.9 bn	-1% – +1%	9% Over the cycle RoS
Cash conversion rate <i>(in %; Industrial Business)²</i>	➤	14%	179%	n.a.	

Note: VGSG operations (sold as of January 2019) included in 2018.

¹ FY 2018: adjusted RoS 6.4%, adjusted operating profit €1.7 bn; FY 2019: adjusted RoS 7.0%, adjusted operating profit €1.9 bn; 2020 Outlook: The forecast does not include any expenses for the realignment of MAN Truck & Bus announced on September 11, 2020. ² Calculated as the ratio of net cash flow to profit after tax; in FY 2019 and FY 2018, the cash conversion rate was impacted by a number of nonrecurring factors; FY 2019 reflected for example the proceeds from the disposal of the Power Engineering business.

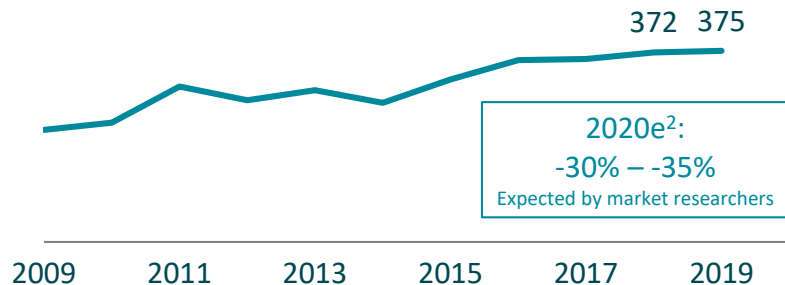
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CURRENT SITUATION – TRUCK MARKET FORECASTS

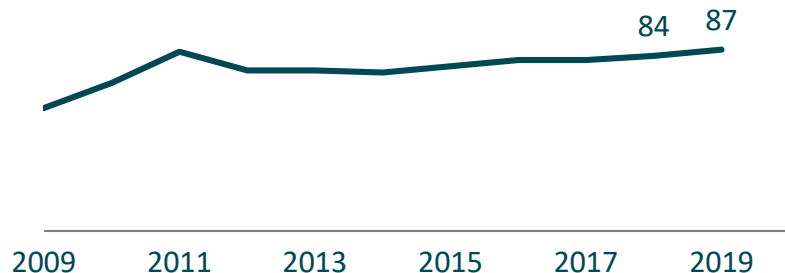
TRUCK MARKET DEVELOPMENT (> 6t, k units)



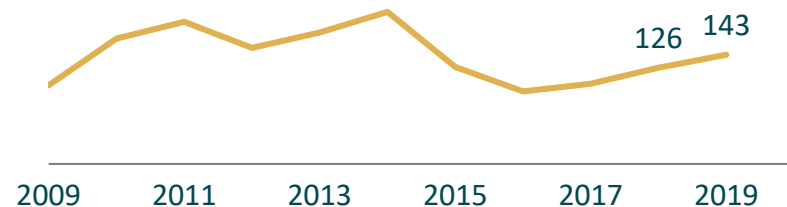
EU27+3¹



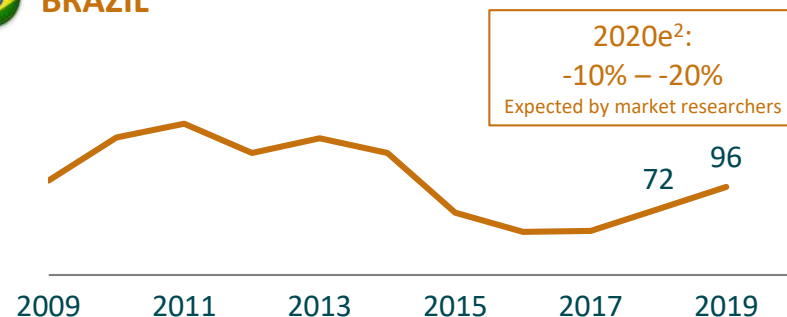
GERMANY



SOUTH AMERICA



BRAZIL



Source: Historical data based on own calculations and estimates.

¹ EU27+3 region (defined as the EU27 countries with the exception of Malta, plus the United Kingdom, Norway, and Switzerland), (> 6t). ² Includes estimates from different institutes and data and information services.

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Back Up

GROUP – SEGMENT HIGHLIGHTS Q3/9M 2020

Industrial Business (IB)					Financial Services (FS)				
	Q3 20	YoY	9M 20	YoY		Q3 20	YoY	9M 20	YoY
Incoming orders (units)	58,502	+19%	145,933	-14%	Net portfolio ² (€bn)			9.2	-5%
Unit sales (units)	49,922	-10%	127,660	-29%	Penetration rate (%)	42	-0.5 pp	42	-0.2 pp
Book-to-bill (units)	1.17	+29 bp	1.14	+20 bp	Sales revenue (€mn)	200	-7%	612	-4%
Sales revenue (€mn)	5,565	-10%	15,419	-21%	Operating profit (€mn)	37	€2 mn	82	€-23 mn
Operating profit (€mn)	125	€-244 mn	-140	€-1,517 mn	Profit after tax (€mn)	24	€1 mn	53	€-22 mn
Return on sales (%)	2.2	-3.7pp	-0.9	-8.0pp					
Adjusted operating profit (€mn)	174	€-195 mn	-91	€-1,455 mn					
Adjusted return on sales (%)	3.1	-2.9 pp	-0.6	-7.6 pp					
Profit after tax (€mn)	107	€-343 mn	-212	€-1,354 mn					
Net cash flow (€mn) ¹	199	€-339 mn	-148	€-2,471 mn					

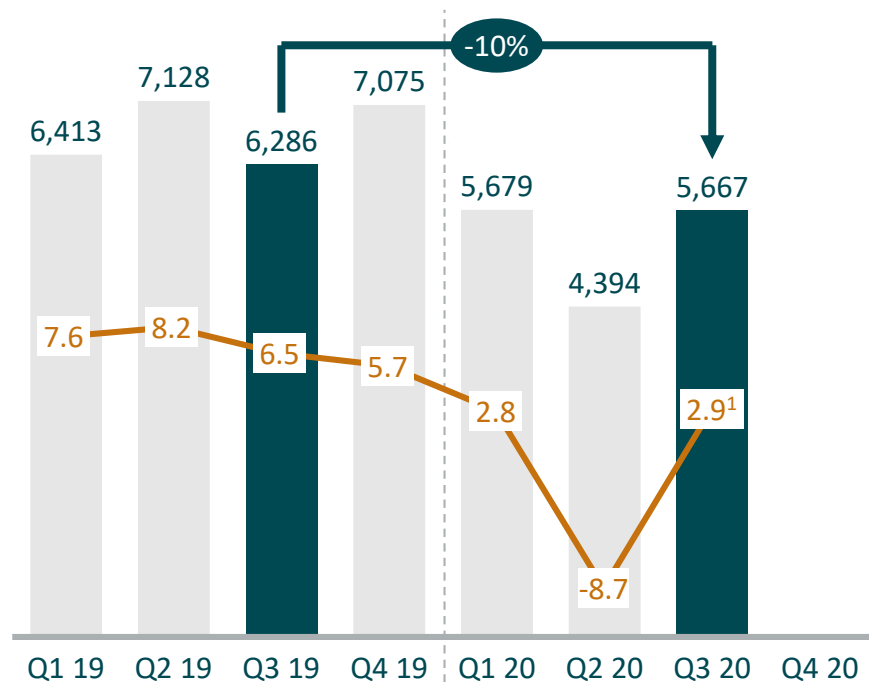
- After key figures especially in the second quarter were heavily negatively influenced by the uncertainties and impacts from COVID-19 pandemic, a noticeable recovery was evident in the third quarter of 2020.
- Nevertheless most key figures down compared year-over-year, but improved significantly compared to previous quarter.
- Positive net cash flow in Q3 2020 of €199 mn in the Industrial Business despite the substantial drop in operating profit.

¹ 9M 2019 reported net cash flow of €2,323 mn, adjusted net cash flow of €345 mn before the sale of Power Engineering (€1,978 mn). ² Reflecting closing balances, as of September 30, 2020.

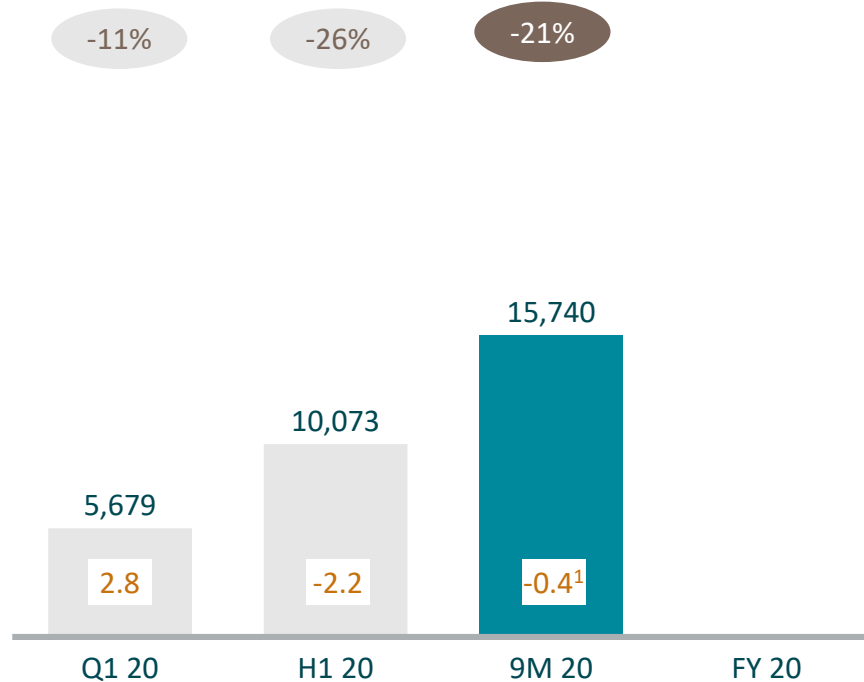
GROUP – SALES REVENUE AND RETURN ON SALES

SALES REVENUE (€mn)

Return on sales (%)



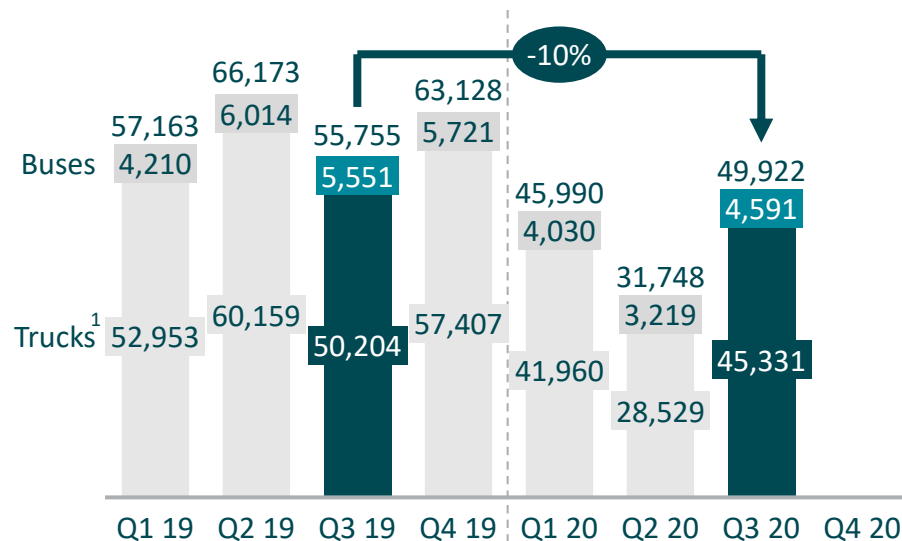
Growth YoY (%)



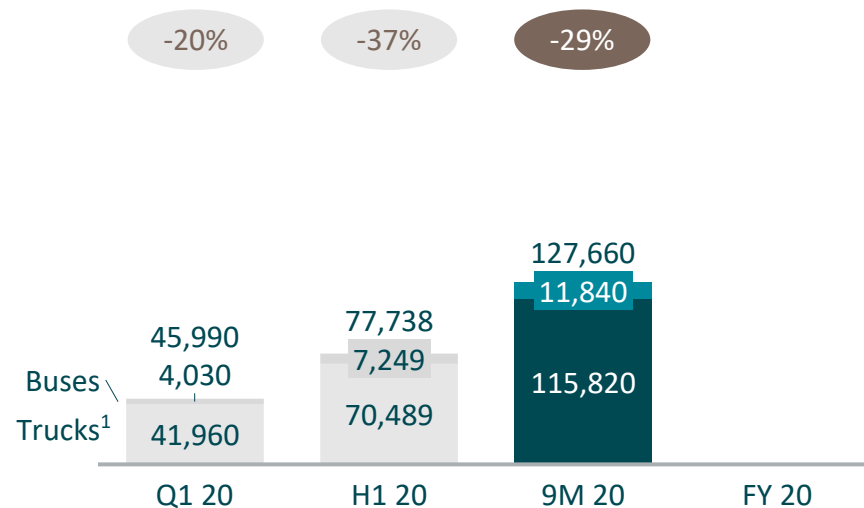
¹ Q3 2020/9M 2020 impacted by costs primarily incurred in connection with the realignment of production facilities at Scania V&S (€50 mn), adjusted RoS Q3 2020: 3.7%/9M 2020 -0.1%.

GROUP – UNIT SALES DEVELOPMENT

UNIT SALES (units)



Growth YoY (%)

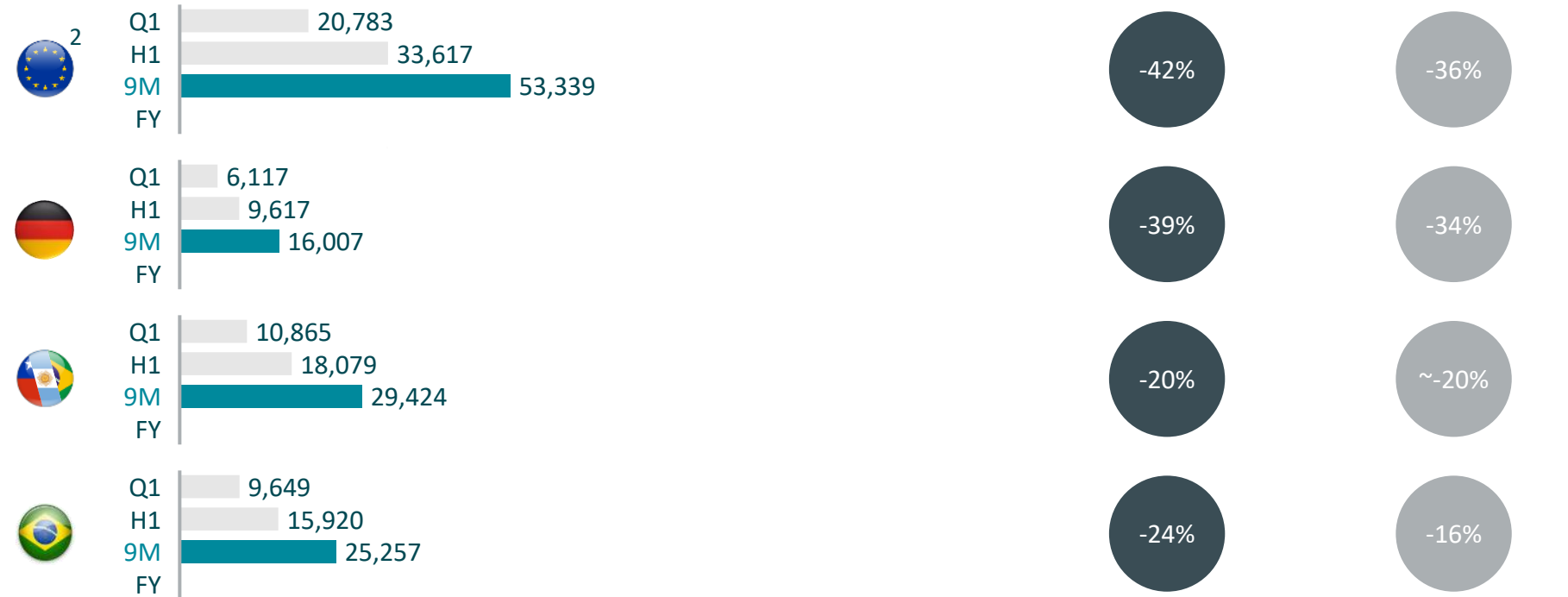


- Economic downturn already expected for 2020 was amplified by the uncertainty due to the COVID-19 pandemic, especially in Q2 2020. However, a noticeable recovery was evident in Q3 2020.
- All core regions and products with significantly higher unit sales compared to previous quarter.
- Trucks unit sales ex MAN TGE down by -15% in Q3 2020 YoY, but up by +57% QoQ.

¹ Including MAN TGE vans (units in 2019: Q1 3,122/Q2 4,144/Q3 2,845/Q4 4,677, units in 2020: Q1 3,428/Q2: 2,927/Q3: 5,037).

GROUP – UNIT SALES GROWTH IN CORE MARKETS

Truck unit sales in core markets¹; 2020 (units)

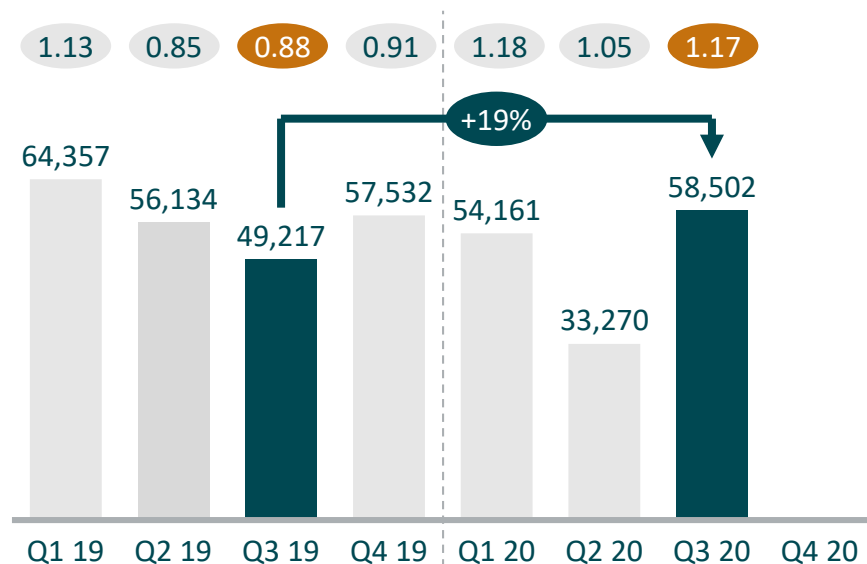


¹ Excluding MAN TGE vans. ² EU27+3 region (defined as the EU27 countries with the exception of Malta, plus the United Kingdom, Norway, and Switzerland). ³ Information shown might include estimates or preliminary data; for EU27+3 and Germany data collected from ACEA provisional new registrations figures as at October 23, 2020, trucks > 16t; for Brazil data collected from ANFAVEA trucks > 6t as at October 7, 2020; South America own estimates.

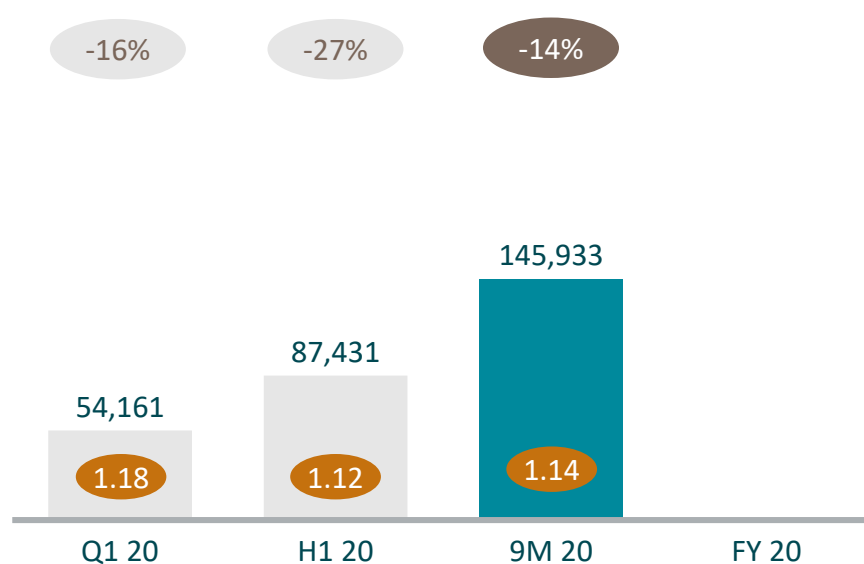
INDUSTRIAL BUSINESS – INCOMING ORDERS

INCOMING ORDERS (units)

Book-to-bill¹ (ratio in units)



Growth YoY (%)

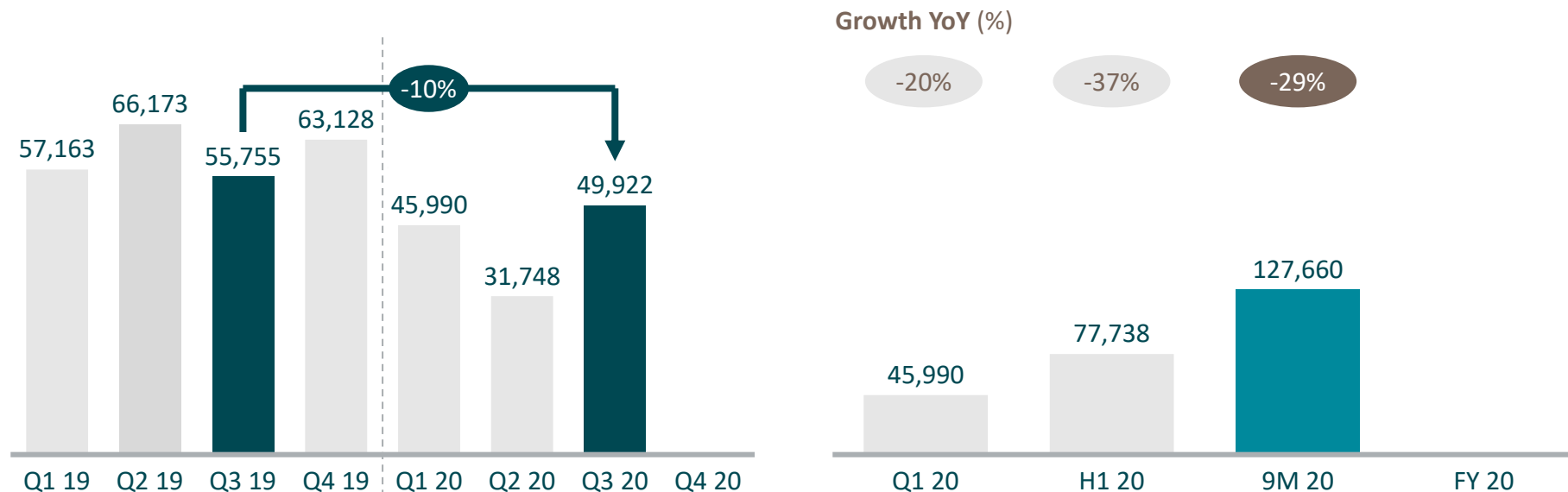


- Weaker demand already expected for 2020 was exacerbated by the impact of COVID-19 pandemic, particularly in Q2 2020.
- Strong increase in incoming orders in Q3 2020 not only compared to previous quarter (+76%), but also above previous year (+19%).
- Truck business strongly recovered QoQ (+87%) across all regions.

¹ Book-to-bill is defined as the ratio of trucks and buses incoming orders to trucks and buses units delivered.

INDUSTRIAL BUSINESS – UNIT SALES

UNIT SALES (units)

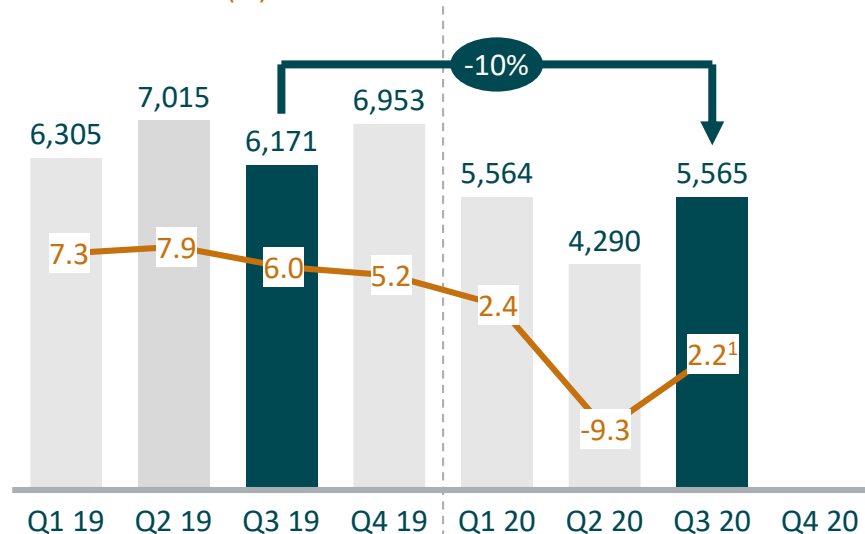


- Year-to-date the expected decline in truck business in the EU27+3 in 2020 was further exacerbated by the impacts of COVID-19 pandemic, particularly in Q2 2020. Truck unit sales overall down by -15% in Q3 2020 YoY, but noticeable recovery in all countries in the region compared to Q2 2020 (+57%). Brazil also returned to growth (+49% QoQ).
- Bus unit sales decreased by -17% in Q3 2020 YoY, but increased +43% compared to the previous quarter.

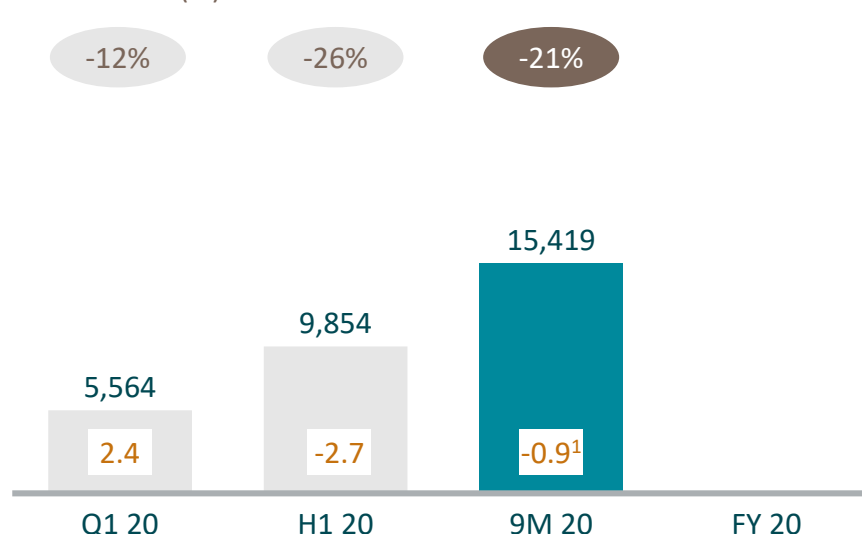
INDUSTRIAL BUSINESS – SALES REVENUE AND RETURN ON SALES

SALES REVENUE (€mn)

Return on sales (%)



Growth YoY (%)



- Decline in sales revenue resulted primarily from the new vehicle business, following the decline in truck and bus unit sales, although Q3 2020 did see a significant recovery. After-sales relatively stable, down by -7% YoY in Q3 2020 (share of 21%).
- Positive return on sales in Q3 2020, clearly above previous quarter due to positive unit sales and sales revenue development, supported by cost savings measures.

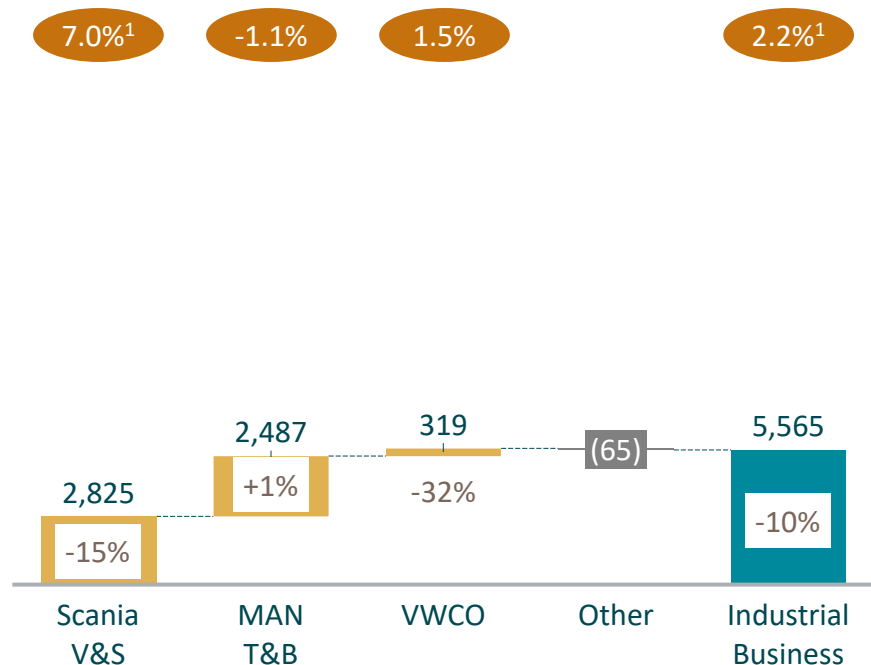
¹ Q3 2020/9M 2020 impacted by costs primarily incurred in connection with the realignment of production facilities at Scania V&S (€50 mn), adjusted RoS Q3 2020: 3.1%/9M 2020 -0.6%.

INDUSTRIAL BUSINESS – SALES REVENUE BY BRAND AND RETURN ON SALES

SALES REVENUE Q3 2020 (€mn)

Growth rate (%)

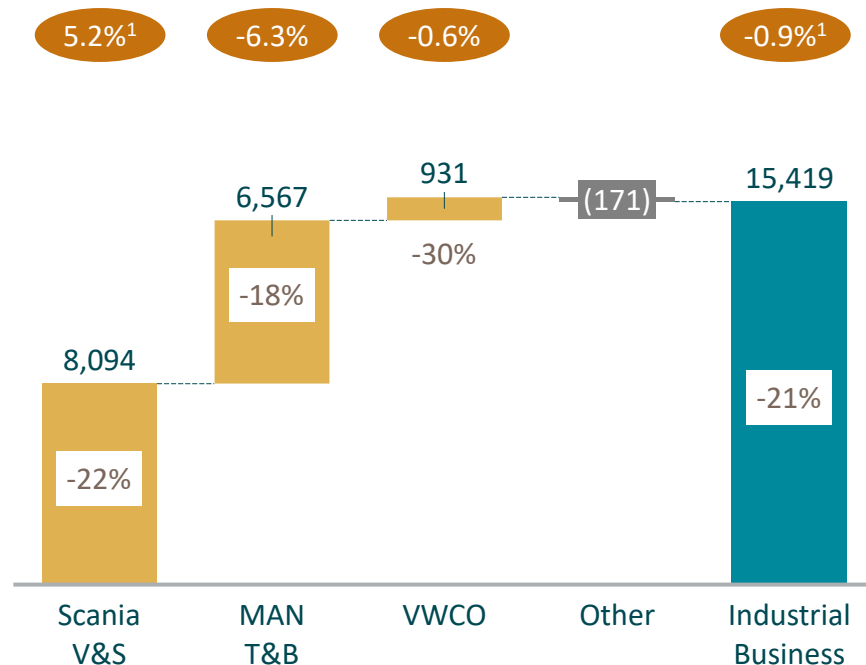
Return on sales (%)



SALES REVENUE 9M 2020 (€mn)

Growth rate (%)

Return on sales (%)



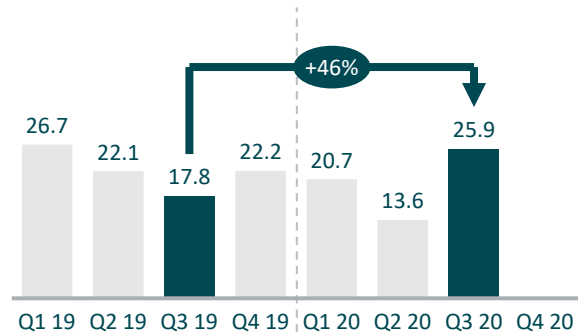
Note: Figures shown as at Q3 2020/9M 2020; percentage change calculated YoY, Q3 2020 vs. Q3 2019/9M 2020 vs. 9M 2019.

1 Q3 2020/9M 2020 impacted by costs primarily incurred in connection with the realignment of production facilities at Scania V&S (€50 mn), adjusted RoS Scania V&S Q3 2020: 8.7%/9M 2020 5.8%/Industrial Business Q3 2020: 3.1%/9M 2020 -0.6%.

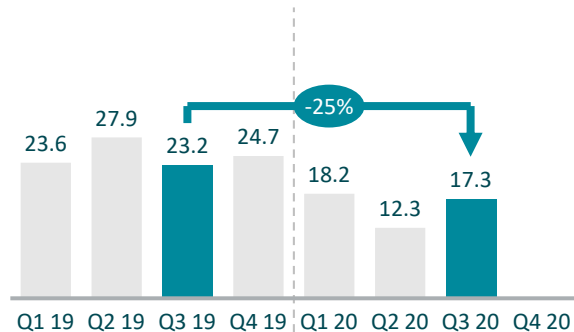
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SCANIA VEHICLES & SERVICES – KEY FIGURES PER QUARTER

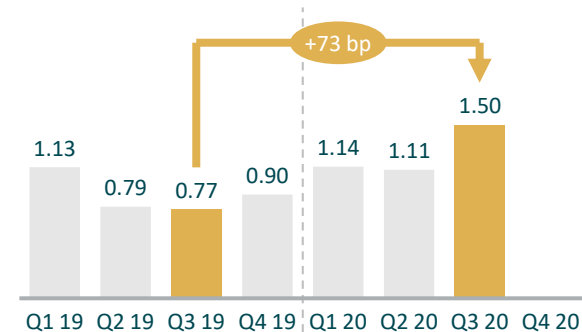
Incoming orders (k units)



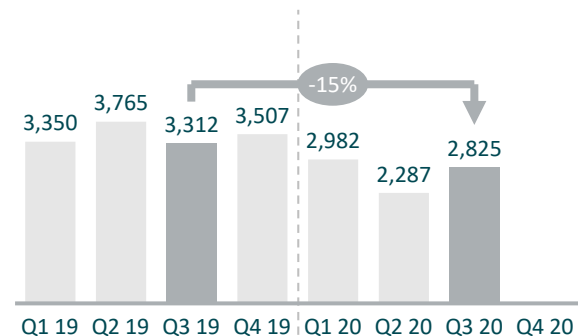
Unit sales (k units)



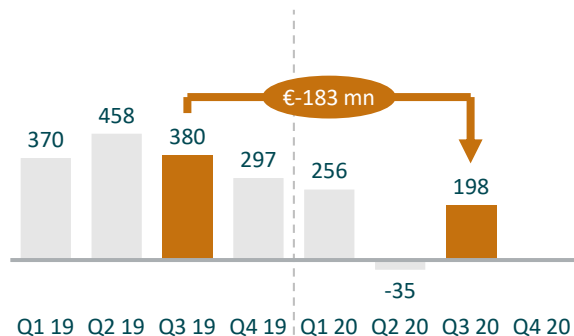
Book-to-bill¹ (ratio in units)



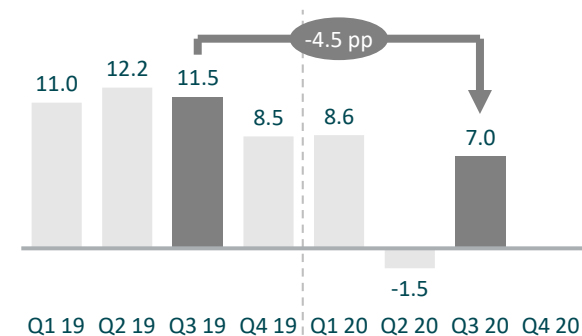
Sales revenue (€mn)



Operating profit² (€mn)

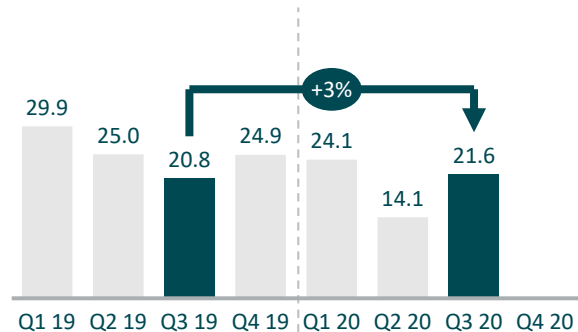


Return on sales² (%)

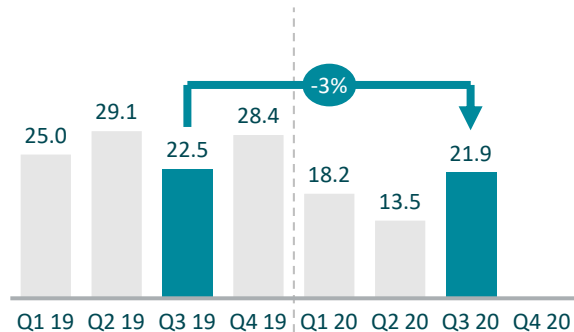


MAN TRUCK & BUS – KEY FIGURES PER QUARTER

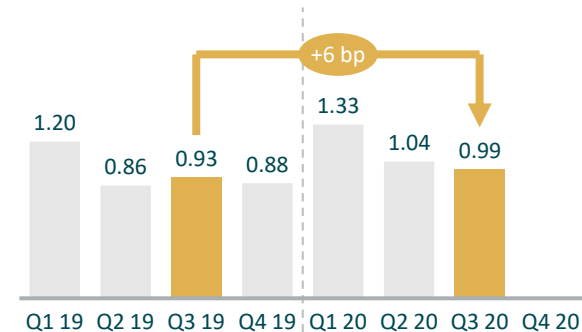
Incoming orders (k units)



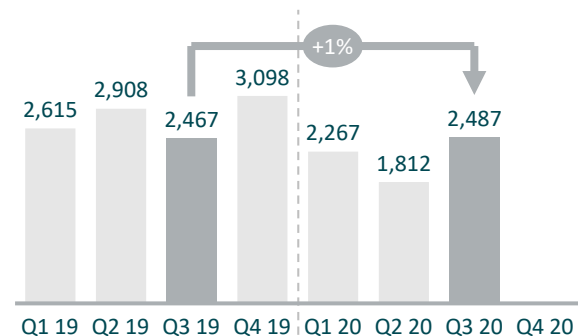
Unit sales (k units)



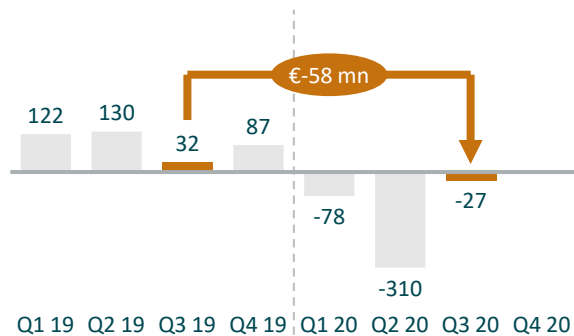
Book-to-bill¹ (ratio in units)



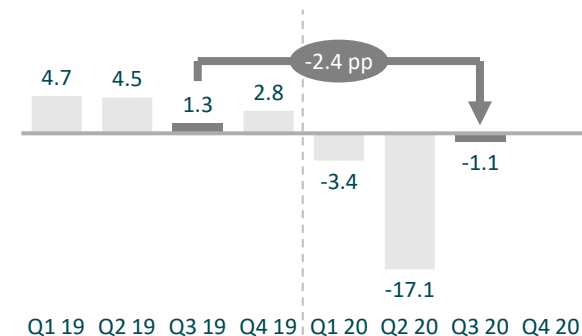
Sales revenue (€mn)



Operating profit (€mn)



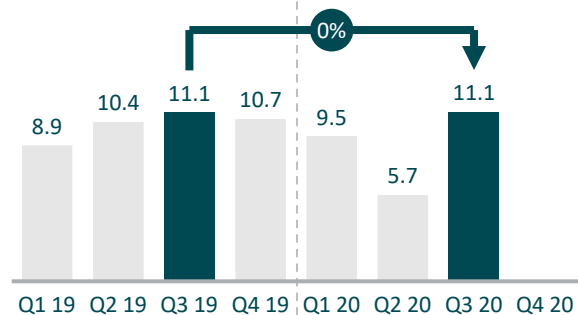
Return on sales (%)



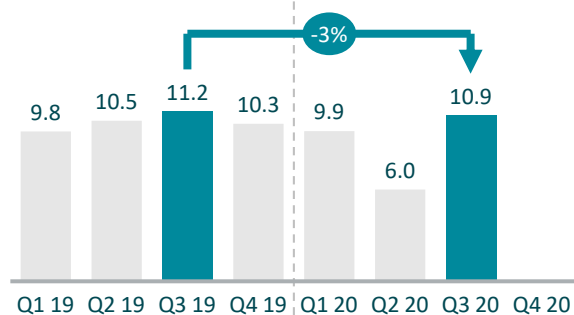
¹ Book-to-bill is defined as the ratio of trucks and bus units ordered to trucks and bus units delivered.

VOLKSWAGEN CAMINHÕES E ÔNIBUS – KEY FIGURES PER QUARTER

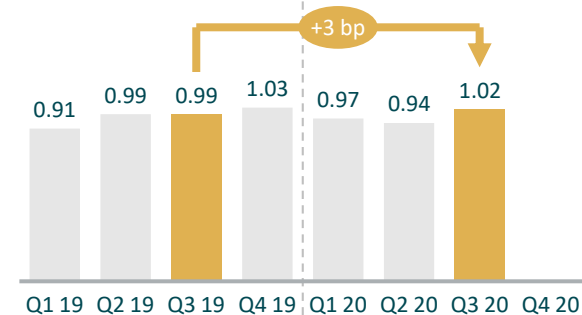
Incoming orders (k units)



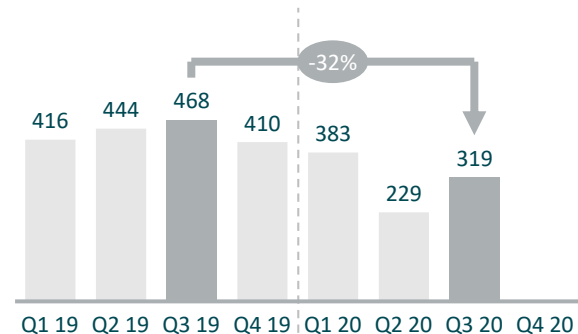
Unit sales (k units)



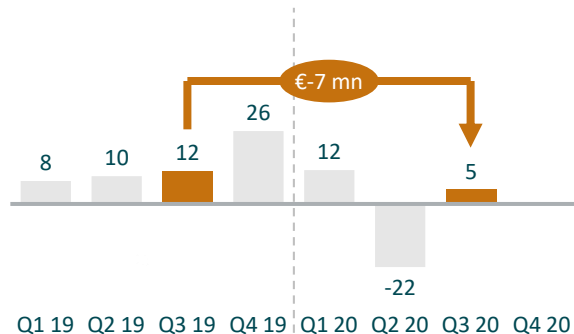
Book-to-bill¹ (ratio in units)



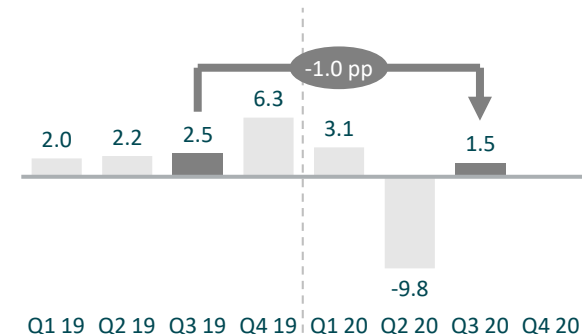
Sales revenue (€mn)



Operating profit² (€mn)



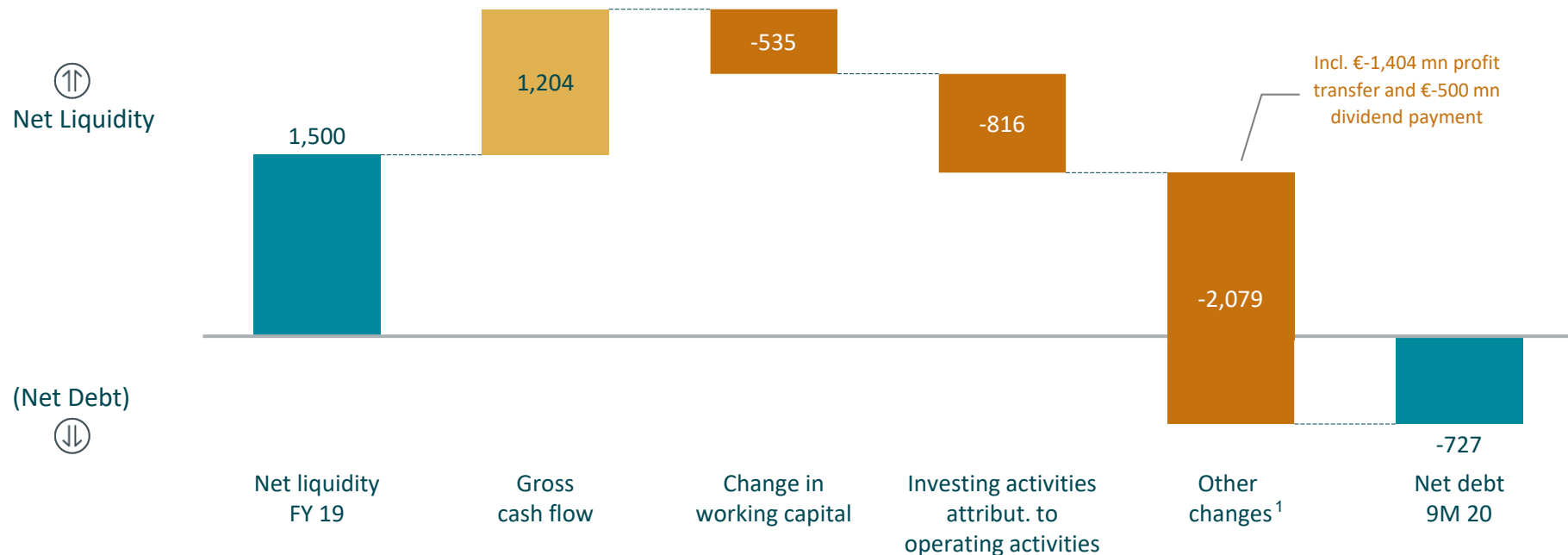
Return on sales² (%)



¹ Book-to-bill is defined as the ratio of trucks and bus units ordered to trucks and bus units delivered. ² Q2 2019 includes an adjustment of €-13 mn from the reversal of a restructuring provision.

INDUSTRIAL BUSINESS – NET LIQUIDITY

NET LIQUIDITY/NET FINANCIAL DEBT BRIDGE (€mn)

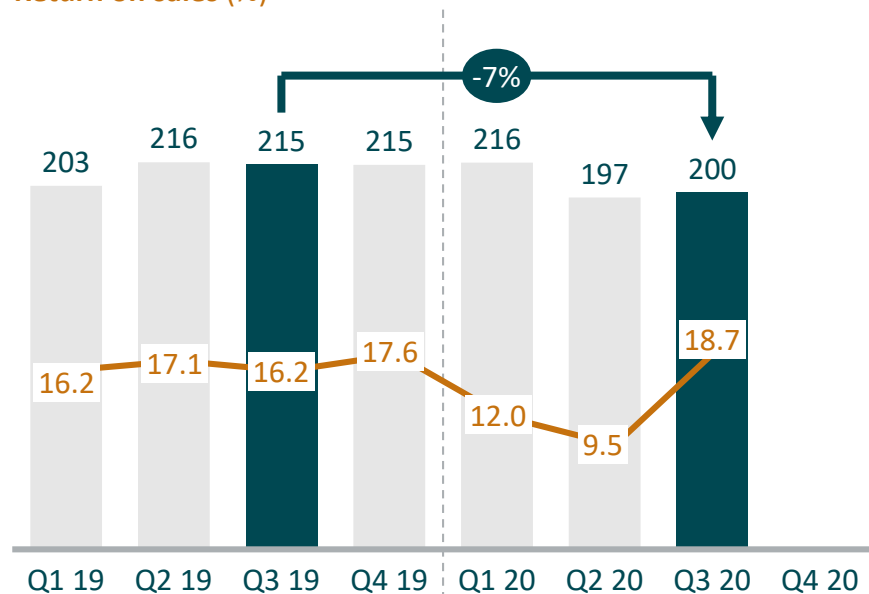


¹ Thereof €-1,404 mn for the profit transfer for fiscal year 2019 to Volkswagen AG, €-500 million dividend payment, €54 mn capital contribution by Volkswagen AG.

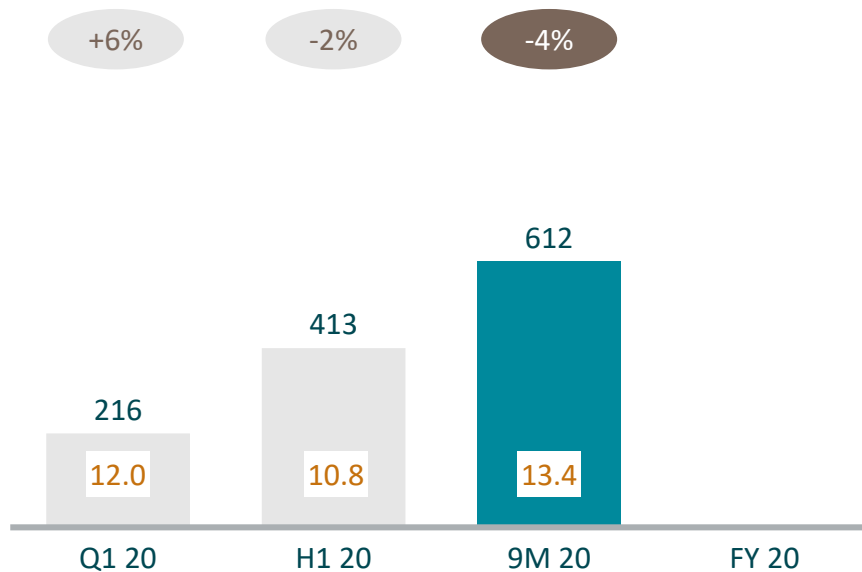
FINANCIAL SERVICES – SALES REVENUE AND RETURN ON SALES

SALES REVENUE (€mn)

Return on sales (%)



Growth YoY (%)

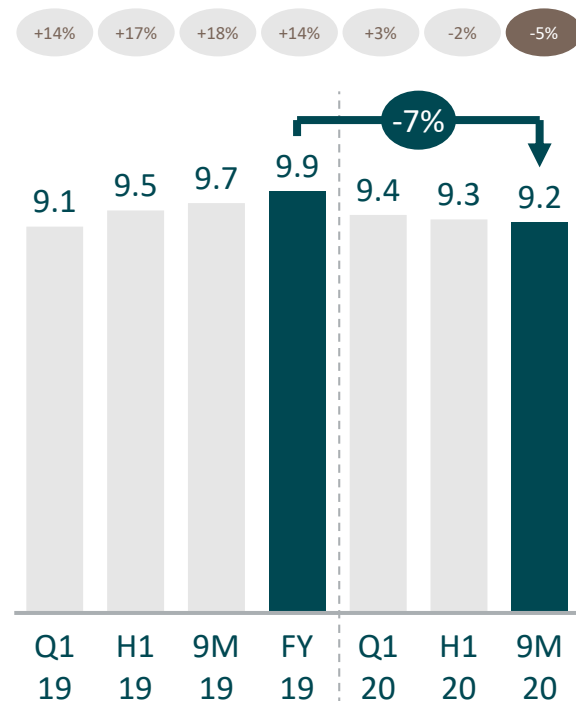


- Operating profit declined by -22% to €82 mn, resulted from lower margins, negative exchange rate effects, and higher bad debt allowances. Positive effects from a larger average portfolio and lower operating expense.

FINANCIAL SERVICES – NET PORTFOLIO AND PENETRATION RATE

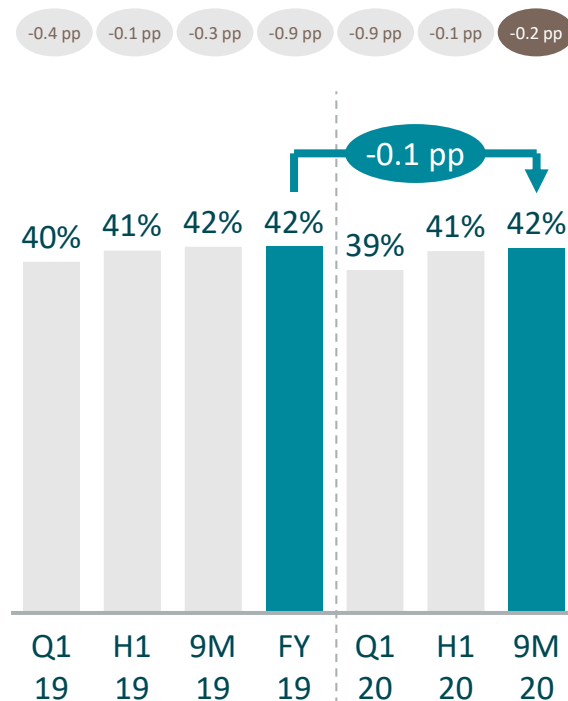
NET PORTFOLIO¹ (€bn)

Growth YoY (%)



PENETRATION RATE² (%)

Growth YoY (%)



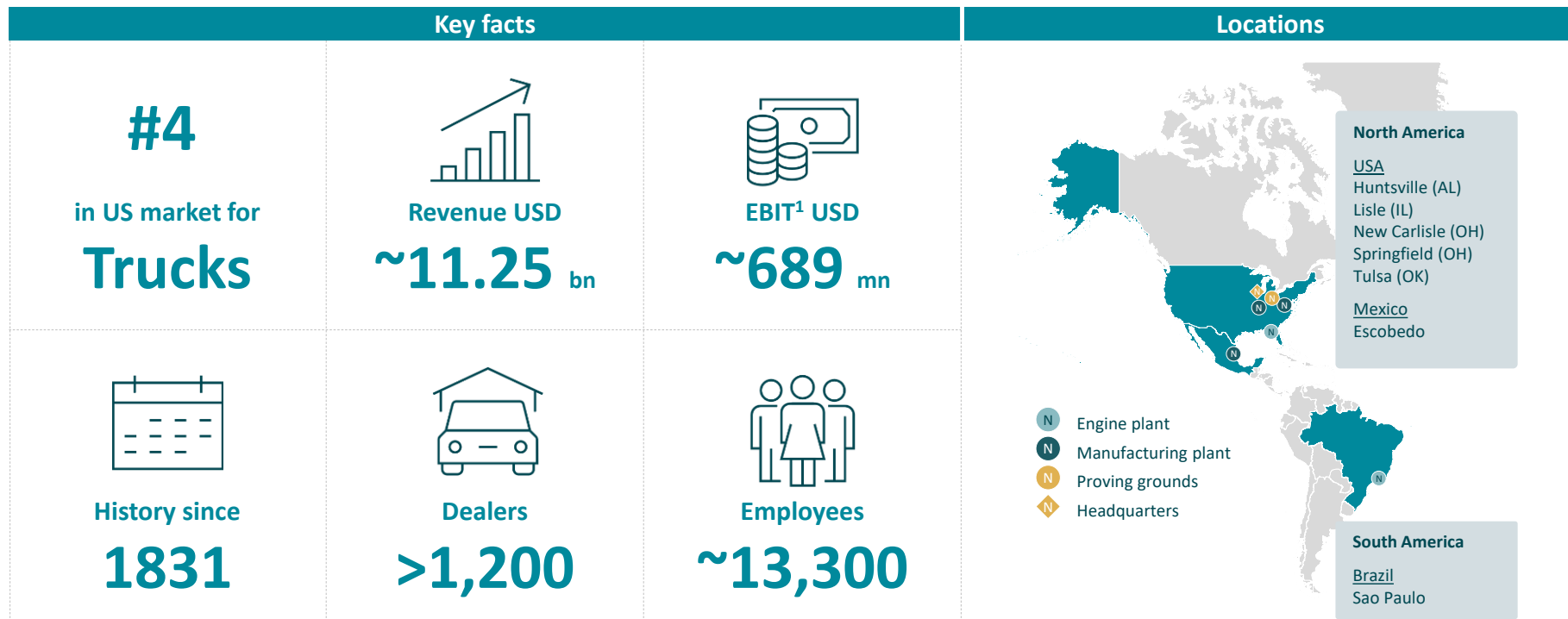
COMMENTARY

- By the end of September 2020 customer finance portfolio amounted to €9.2 bn (-7% compared to year end 2019), resulting from lower financing activities due to the reduced unit sales and negative currency effects.
- Penetration rate on new trucks stood at 42% in 9M 2020 in those markets where Financial Services operates.
- Book value of equity decreased slightly compared to year end to €963 mn (FY 2019: €971 mn).

¹ Reflecting closing balances; net portfolio defined as gross portfolio less bad debt provisions; growth excl. currency effects. ² Trucks only.

Appendix – Navistar Update

NAVISTAR INTERNATIONAL: AT A GLANCE



Source: Company information, figures for FY 2019 as of October 31, 2019.

¹ Adjusted EBIT: Calculated as adjusted EBITDA - depreciation and amortization.

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NAVISTAR INTERNATIONAL: AT A GLANCE (CONT'D)

TRUCKS



- Supplier of heavy duty, medium duty and severe service trucks under the International brand.
- Offering the industry's newest and most complete vehicle line-up in North America.
- Market share of 13.8%¹ in Class 8 heavy trucks and 14.8%¹ in severe service trucks.
- FY 2019 net revenue of USD8,585 mn, segment profit of USD269 mn.

LT Series



RH Series



Lonestar



HX Series



HV Series



CV Series



PARTS

- Provider of proprietary products needed to support the International commercial truck, IC Bus, proprietary engine lines, and export parts business.
- Partnership with Love's Travel Stops, which adds more than 300 locations to Navistar's International service network, bringing the total service network to more than 1,000 locations in North America.
- FY 2019 net revenue of USD2,245 mn, segment profit of USD598 mn.

BUSES



- Supplier of school and commercial buses under the brand IC.
- Offers training, servicing, handling of parts and other support services to the buses sold.
- Market share of 35.8%¹ in School Bus space.

CE Series



RE Series



FINANCIAL SERVICES

- Providing and managing retail, wholesale, and lease financing of products sold by Truck and Parts business as well as their dealers within the US, Canada and Mexico.
- Offering cost-effective funding sources as well as mitigating credit losses and impaired vehicle asset values.
- Wholesale financing for 100% of new truck inventory sold to dealers and distributors.
- FY 2019 net revenue of USD297 mn, segment profit of USD123 mn.

Source: Navistar Form 10K, October 31, 2019 and company information.

Note: Operating results as they relates to the segments, do not include intersegment eliminations.

¹ Market share for the reported fiscal year 2019 as per Navistar Form 10K, October 31, 2019.

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SELECTION OF KEY PERFORMANCE INDICATOR

Metric (FY 2019; as of Dec. 31, 2019)	TRATON GROUP
Units Sales	242,219
Sales revenue	€26,901 mn
EBITDA (adjusted)	€3,110 mn
EBITDA margin (adjusted)	11.6%
Operating profit (adjusted)	€1,871 mn
Operating return on sales (adjusted)	7.0%

Metric (9M 2020; as of Sep. 30, 2020)	
Net industrial financial debt	€-727 mn
Group provisions for pensions and other post-employment benefits	€1,805 mn

Metric (FY 2019; as of Oct. 31, 2019)	NAVISTAR
Units Sales	106,500
Sales and revenues, net	USD11,251 mn
Adjusted EBITDA	USD882 mn
Adjusted EBITDA margin	7.8%
Adjusted EBIT¹	USD689 mn
Adjusted EBIT margin	6.1%

Metric (9M 2020; as of Jul. 31, 2020)	
Manufacturing operations net debt ²	USD1,922 mn
Group postretirement benefit liabilities	USD2,013 mn

Source: Navistar Form 10K, October 31, 2019; TRATON Annual Report, December 31, 2019; Navistar Form 10Q, July 31, 2020; TRATON Interim Statement 9M 2020, September 30, 2020.

Note: Navistar reports under US GAAP and TRATON reports under IFRS.

1 Calculated as adjusted EBITDA - depreciation and amortisation. 2 Calculated as total manufacturing operations debt - consolidated cash, cash equivalents, and marketable securities of manufacturing operations.

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Appendix – Interim Statement 9M 2020

PRODUCT HIGHLIGHTS 2020

Despite the challenging environment we continued to set product highlights



October
VWCO to deliver first 100 e-trucks to Ambev in 2021



September
Scania introduces new V8 range



September
Scania introduces first electric truck range



September
New VWCO heavy-duty trucks (Meteor)



May
Scania to deliver 75 battery electric trucks to ASKO



May
MAN Lion's City 18 E celebrates sales launch



February
MAN introduces new Truck Generation



January
ASKO puts Scania FCEV trucks on the road



TRATON AND TUSIMPLE AGREED ON GLOBAL PARTNERSHIP FOR AUTONOMOUS TRUCKS



- » TRATON and TuSimple entered into a **global partnership** to **develop autonomous trucks**.
- » Scania **test vehicles** will **soon be on the road** with TuSimple technology in Sweden.
- » The first test vehicles underway are **aiming for Level 4** (high automation).
- » Autonomous trucks offer customers improved safety, efficiency and cost savings.
- » As part of the partnership, TRATON has also taken a minority stake in TuSimple.

SCANIA COST TRANSFORMATION



- » To emerge from the crisis with better conditions for continued profitability and to make large-scale investments in new technologies to drive the shift towards a sustainable transport system, a **cost transformation** is **necessary**.
- » Extensive **measures** were **initiated** in **Q2 2020** and **will continue** throughout 2020.
- » **Staff reductions** announced in Q2 2020 are now being **implemented**.
- » Reviewing of industrial and commercial operations led to the decision to close the bus and coach production in Lahti, Finland and the regional product centre in Bangkok, Thailand.

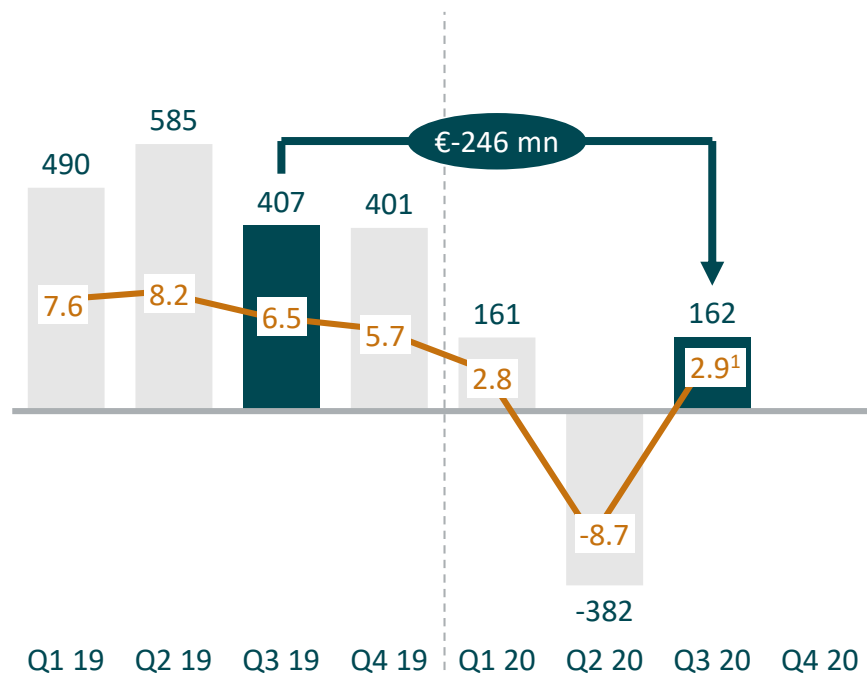
GROUP – CONDENSED INCOME STATEMENT

€ million	TRATON GROUP		Industrial Business		Financial Services		Others/reconciliation	
	9M 2020	9M 2019	9M 2020	9M 2019	9M 2020	9M 2019	9M 2020	9M 2019
Sales revenue	15,740	19,827	15,419	19,491	612	635	-291	-299
Cost of sales	-13,345	-15,825	-13,247	-15,713	-388	-411	291	299
Gross profit	2,396	4,001	2,173	3,779	224	223	-1	0
Distribution expenses	-1,636	-1,811	-1,549	-1,718	-88	-93	1	1
Administrative expenses	-644	-734	-644	-734	-	-	-	-
Other operating result	-174	26	-119	51	-54	-25	0	0
Operating profit/loss	-58	1,482	-140	1,377	82	105	0	1
Operating return on sales (in %)	-0.4	7.5	-0.9	7.1	13.4	16.5	-	-
Financial result	-76	103	-76	112	0	0	0	-8
Profit/loss before tax	-134	1,586	-216	1,489	82	105	0	-8
Income taxes	-24	-349	4	-344	-29	-29	0	25
Loss from discontinued operations, net of tax	-	-2	-	-2	-	-	-	-
Profit/loss after tax	-158	1,235	-212	1,142	53	75	1	17

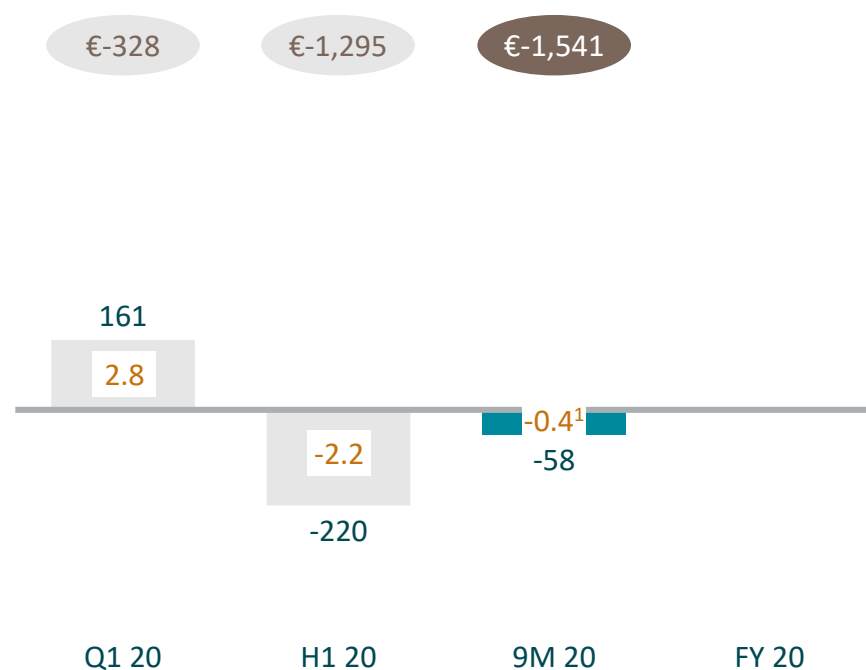
GROUP – OPERATING PROFIT AND RETURN ON SALES

OPERATING PROFIT (€mn)

Return on sales (%)



Growth YoY (€mn)



¹ Q3 2020/9M 2020 impacted by costs primarily incurred in connection with the realignment of production facilities (€50 mn), adjusted operating profit Q3 2020 €211 mn/9M 2020 €-9 mn; adjusted RoS Q3 2020 3.7%/9M 2020 -0.1%.

GROUP – NET LIQUIDITY

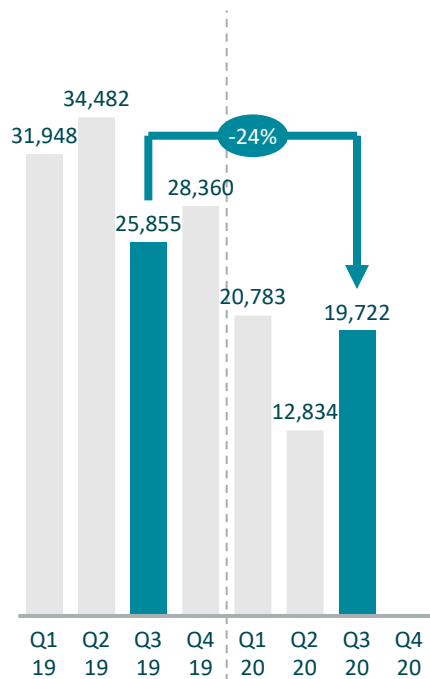
€ million	TRATON GROUP		Industrial Business	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Cash and cash equivalents	2,210	1,913	2,124	1,853
Marketable securities, investment deposits, and loans to affiliated companies	1,114	3,195	1,114	3,288
Gross liquidity	3,324	5,108	3,238	5,141
Total third-party borrowings	-12,154	-12,497	-3,965	-3,641
Net liquidity/net financial debt	-8,831	-7,390	-727	1,500

GROUP – ADJUSTMENTS

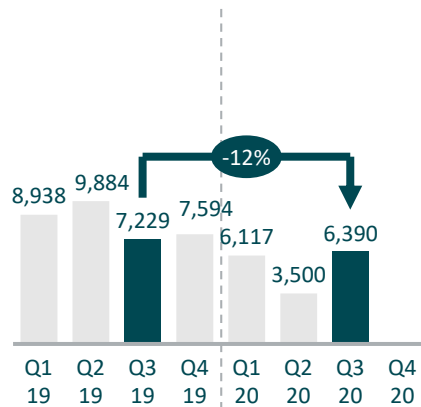
Adjustments (€ million)	2016	2017	2018	2019	9M 2020
OPERATING PROFIT	727	1,512	1,513	1,884	-58
Expense for antitrust proceedings (Scania)	403				
Release of restructuring provisions at MAN T&B		-50			
Expenses in relation to India market exit at MAN T&B			137		
Recognition and release of restructuring provisions at VWCO	58			-13	
Expenses in connection with the realignment of production facilities Scania V&S					50
OPERATING PROFIT (ADJUSTED)	1,188	1,462	1,650	1,871	-9

INDUSTRIAL BUSINESS – REGIONAL TRUCK UNIT SALES DEVELOPMENT¹

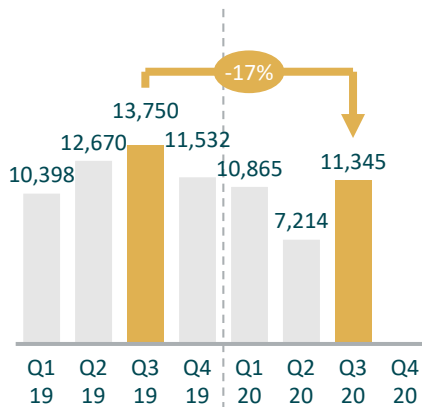
EU27+3² (units)



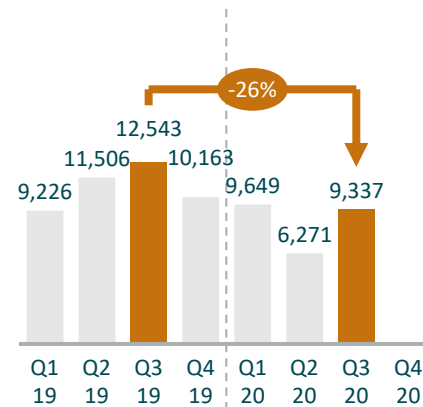
Germany (units)



South America (units)



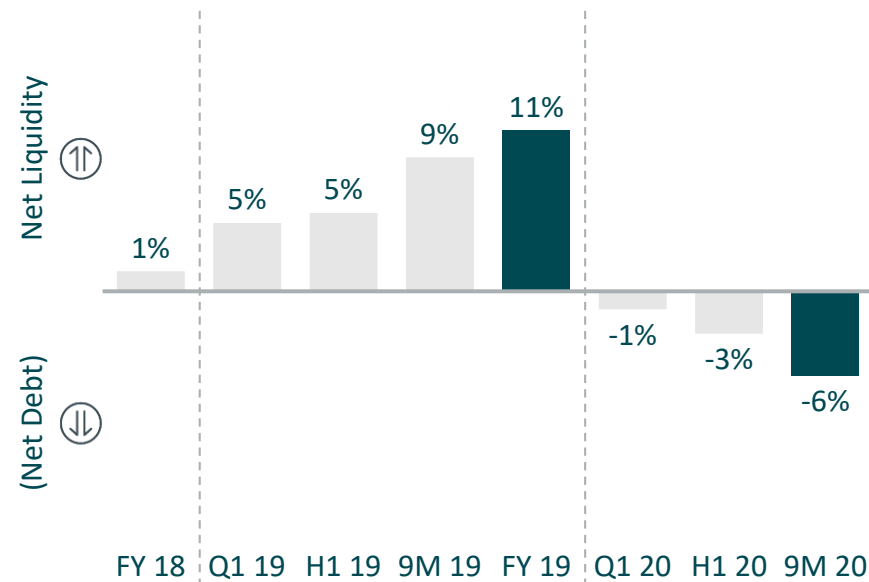
Brazil (units)



¹ Excluding MAN TGE vans. ² In connection with the exit of United Kingdom on January 31, 2020, the region "EU28+2" has been referred to as region "EU27+3" since 2020 (defined as the EU27 countries with the exception of Malta, plus the United Kingdom, Norway, and Switzerland).

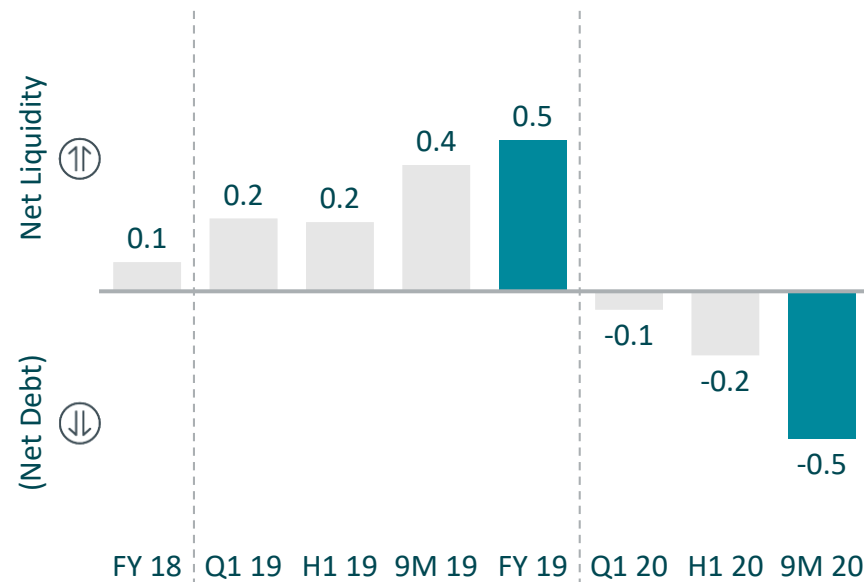
INDUSTRIAL BUSINESS – LEVERAGE RATIOS

GEARING RATIO¹ (in %)



NET DEBT/ADJUSTED EBITDA² (x)

Net debt as of September 30, 2020 amounted to €-727 mn, mainly due to the net cash outflow of €-1.4 bn resulting primarily from the end of the domination and profit and loss transfer agreement (DPLTA) with Volkswagen AG for the fiscal year 2019.



Note: Industrial Business net liquidity/net financial debt per FY 2018: €227 mn, Q1 2019: €604 mn, H1 2019: €689 mn, 9M 2019: €1,207 mn, FY 2019: €1,500 mn, Q1 2020: €-162 mn, H1 2020: €-376 mn, 9M 2020: €-727 mn.

1 For Industrial Business: calculated as net liquidity/net financial debt divided by book value of equity. 2 For Industrial Business: calculated as net liquidity/net financial debt divided by last twelve month adjusted EBITDA (actual quarter + last 3 quarters).

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INDUSTRIAL BUSINESS – CONDENSED STATEMENT OF CASH FLOWS

€ million	9M 2020	9M 2019	Q3 2020	Q3 2019
Gross cash flow	1,204	2,585	644	805
Change in working capital	-535	-1,447	-228	-40
Net cash provided by operating activities	669	1,137	416	765
Net cash provided by/used in investing activities attributable to operating activities	-816	1,186	-217	-226
Change in marketable securities, investment deposits, and loans	2,186	-1,844	901	-1,155
Net cash provided by/used in investing activities	1,369	-658	683	-1,381
Net cash provided by/used in financing activities	-1,664	-1,348	-1,431	95
Effect of exchange rate changes on cash and cash equivalents	-102	-7	-32	-16
Change in cash and cash equivalents	271	-876	-363	-537
Cash and cash equivalents as of 09/30	2,124	2,069	2,124	2,069
Gross cash flow	1,204	2,585	644	805
Change in working capital	-535	-1,447	-228	-40
Net cash provided by/used in investing activities attributable to operating activities	-816	1,186	-217	-226
Net cash flow	-148	2,323	199	539

TRATON SHARE



SHARE DATA

ISIN (International Securities Identification Number)	DE000TRAT0N7
WKN (German Security Identification number)	TRAT0N
Common code	196390065
Stock exchange	Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) & Nasdaq Stockholm (börsen)
Market segment	Regulated market (Prime Standard) of Frankfurt Stock Exchange & Large Cap segment of Nasdaq Stockholm
Bloomberg ticker	8TRA GY/8TRA SS
Reuters ticker	8TRA.DE/8TRA.ST
Shares outstanding	500.000.000
Type of share	Bearer shares / common shares
Free Float	10.28%

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FINANCIAL CALENDAR



Event/Publication of

November 10, 2020

Interim Statement 9M 2020

March 22, 2021

Annual Press Conference & Annual Report 2020

May 10, 2021

Interim Statement 3M 2021

July 30, 2021

Half-Year Financial Report 2021

October 29, 2021

Interim Statement 9M 2021



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